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UNITED STATES DEPARTMENT OF AGRICULTURE
 PRODUCTION AND MARKETING ADMINISTRATION
 SERVICE AND REGULATORY ANNOUNCEMENTS NO. 165

FURTHER DEVELOPMENTS IN COTTON STANDARDIZATION AND RELATED ACTIVITIES

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STANDARDS FOR COTTON AND LINTERS

(The standards marked with an asterisk (*) are descriptive. The others are represented in physical form.)

UNIVERSAL STANDARDS FOR GRADE OF AMERICAN UPLAND COTTON,
 EFFECTIVE AUGUST 1, 1947

Gray	Extra white	White	Spotted	Tinged	Yellow stained
		*Middling Fair Strict Good Middling			
*GMG	*GMEW	Good Middling	*GMSp.	GMT	*GMYS
*SMG	*SMEW	Strict Middling	*SMSp.	SMT	*SMYS
*MG	*MEW	Middling	*MSp.	MT	*MYS
*SLMG	*SLMEW	Strict Low Middling	*SLMSp.	SLMT	
	*LMEW	Low Middling	*LMSp.	LMT	
	*SGOEW *GOEW	Strict Good Ordinary Good Ordinary			

The grade Middling Fair embraces white cotton which in color, leaf, and preparation is better than Strict Good Middling.

The grades Good Middling Gray, Strict Middling Gray, Middling Gray, and Strict Low Middling Gray apply to cotton which in leaf and preparation is equal to the corresponding grades for white cotton but which is more gray in color.

The seven grades for Extra White cotton embrace cotton which in leaf and preparation is equal to the corresponding grades for white cotton but which is whiter in color.

The grades Good Middling Spotted, Strict Middling Spotted, Middling Spotted, Strict Low Middling Spotted, and Low Middling Spotted apply to cotton which in leaf and preparation is equal to the corresponding grades for white cotton but which in color is between the corresponding grades for white cotton and those for tinged cotton.

The grades Good Middling Yellow Stained, Strict Middling Yellow Stained, and Middling Yellow Stained apply to cotton which in leaf and preparation is equal to the corresponding grades for white cotton but which is more yellow in color than the corresponding grades for tinged cotton.

The grades shown above the horizontal line are deliverable on futures contracts under section 5 of the United States Cotton Futures Act and the present rules of the cotton futures exchanges; those below this line are not deliverable on such contracts. No cotton of any grade, however, can be delivered on futures contracts unless it is at least $\frac{7}{8}$ of an inch in staple length, and no cotton which is of perished or immature staple, or which is gin-cut, reginned, repacked, false-packed, mixed-packed, or water-packed is deliverable on such contracts. (See p. 3 for an outline of the rules of the three cotton futures exchanges which affect the tenderability of cotton on futures contracts.)

The lowest permissible limits for qualities of cotton deliverable on futures contracts are fixed by section 5 of the Cotton Futures Act, under which each contract must "provide that cotton that, because of the presence of extraneous matter of any character, or irregularities or defects, is reduced in value below that of Low Middling, or cotton that is below the grade of Low Middling, or, if Tinged, cotton that is below the grade of Strict Middling, or, if Yellow Stained, cotton that is below the grade of Good Middling, the grades mentioned being of the official cotton standards of the United States, or cotton that is less than $\frac{7}{8}$ of an inch in length of staple, or cotton of perished staple or of immature staple, or cotton that is 'gin cut' or reginned, or cotton that is 'repacked' or 'false packed' or 'mixed packed' or 'water packed', shall not be delivered on, under, or in settlement of such contract."

By amendments to their bylaws and rules adopted in 1939, the cotton futures exchanges eliminated several of the less desirable grades from the tenderable list. When these amendments were under consideration it was held that it was permissible under the law to change the lower limit of tenderability as proposed, provided no cotton below the qualities expressly excluded by section 5 of the act were treated as tenderable.

TENTATIVE STANDARDS FOR THE PREPARATION OF AMERICAN UPLAND COTTON

($1\frac{1}{8}$ inches or more in length of staple)

- No. 4, or Strict Middling—A Preparation.
- No. 4, or Strict Middling—B Preparation.
- No. 4, or Strict Middling—C Preparation.
- No. 5, or Middling—A Preparation.
- No. 5, or Middling—B Preparation.
- No. 5, or Middling—C Preparation.
- No. 6, or Strict Low Middling—A Preparation.
- No. 6, or Strict Low Middling—B Preparation.
- No. 6, or Strict Low Middling—C Preparation.

STANDARDS FOR GRADES OF AMERICAN EGYPTIAN COTTON

PIMA

- Grade No. 1.
- Grade No. $1\frac{1}{2}$.
- Grade No. 2.
- Grade No. $2\frac{1}{2}$.
- Grade No. 3.
- Grade No. $3\frac{1}{2}$.
- Grade No. 4.
- Grade No. $4\frac{1}{2}$.
- Grade No. 5.
- *Below Grade No. 5.

SXP

- Grade No. 1.
- Grade No. $1\frac{1}{2}$.
- Grade No. 2.
- Grade No. $2\frac{1}{2}$.
- Grade No. 3.
- Grade No. $3\frac{1}{2}$.
- Grade No. 4.
- Grade No. $4\frac{1}{2}$.
- Grade No. 5.
- *Below Grade No. 5.

*Descriptive standard.

STANDARDS FOR GRADES OF SEA-ISLAND COTTON

Grade No. 1.	Grade No. 4.
*Grade No. 1½.	*Grade No. 4½.
Grade No. 2.	Grade No. 5.
*Grade No. 2½.	*Grade No. 5½.
Grade No. 3.	Grade No. 6.
*Grade No. 3½.	*Below Grade No. 6.

STANDARDS FOR LENGTH OF STAPLE

(All American cottons)

Inches:

*Below ¾.
¾.
13/16.
7/8.
29/32.
15/16.
31/32.
1.
11/32.
11/16.
13/32.
11/8.
15/32.
13/16.
17/32.
11/4.
19/32.
15/16.
111/32.
13/8 (types for American Egyptian only).

Inches:

*113/32.
17/16 (types for American Egyptian only).
*115/32.
1½ (types for American upland, American Egyptian, and sea-island).
*117/32.
19/16 (types for American Egyptian and sea-island only).
*119/32.
15/8 (types for American Egyptian and sea-island only).
*121/32.
*111/16.
*123/32.
1¾ (types for American Egyptian and sea-island only) and upward in steps of 1/32 inch. (No types above 1¾ inches.)

STANDARDS FOR GRADES OF AMERICAN COTTON LINTERS

Grade No. 1.
Grade No. 2.
Grade No. 3.
Grade No. 4.

Grade No. 5.
Grade No. 6.
Grade No. 7.
*Hull fiber.

*Descriptive standard.

NOTE.—As the lengths indicated by an asterisk (*) are descriptive only, they are determined in the classification of cotton by comparisons with the staple-length types for adjacent lengths.

The American Egyptian cotton crop is now confined almost entirely to "SXP" (the Sakellaridis-Pima cross). Sea-island cotton is not at present grown in commercial quantities in the United States.

Information concerning prices of copies of the various standards represented in physical form, and desired order blanks, may be obtained from the Cotton Branch, Production and Marketing Administration, United States Department of Agriculture, Washington 25, D. C.

RULES OF COTTON FUTURES EXCHANGES AFFECTING TENDERABILITY OF COTTON ON FUTURES CONTRACTS

NEW YORK COTTON EXCHANGE

The base quality deliverable on futures contracts of the New York Cotton Exchange is Middling 15/16 of an inch. The deliverable grades are Good Middling Extra White to Low Middling Extra White, inclusive, Middling Fair to Low Middling (White), inclusive, and Good Middling Spotted and Strict Middling Spotted. A premium is allowed for each bale having a staple length of 31/32 of an inch and for each bale having a staple length of 1 inch, which is, respectively, 75 percent of the average commercial premium for like staples over 15/16 of an inch.

Cotton of staple length in excess of 1 inch commands the same premium as 1-inch cotton. A deduction is made for each bale having a staple length of $2\frac{9}{32}$ of an inch and for each bale having a staple length of $\frac{7}{8}$ of an inch, which is the full commercial discount for these staples under $1\frac{5}{16}$ of an inch. The language referring to staple premiums and discounts is quoted under the heading "Staple Differences." Irrigated or "nonrain-grown" cotton is tenderable only if the grade is Middling (White or Extra White) or above and if the staple is $1\frac{1}{32}$ inches or longer. Cotton remaining under certification for a period exceeding 10 months carries a penalty of 15 cents per bale per month beginning with the eleventh month, and the deliverer must make such allowance for each calendar month or fraction thereof. Cotton reduced in grade because of preparation or in staple because of character or reduced for any other reason is not tenderable. The delivery points are New York, Norfolk, Charleston, Savannah, Mobile, New Orleans, Houston, and Galveston.

NEW ORLEANS COTTON EXCHANGE

The base quality deliverable on futures contracts of the New Orleans Cotton Exchange is Middling $1\frac{5}{16}$ of an inch. The tenderable grades are the same as in New York. A premium is allowed for each bale having a staple length of $3\frac{1}{32}$ of an inch and for each bale having a staple length of 1 inch, which premium is, respectively, 100 percent of the average commercial premiums for like staples over $1\frac{5}{16}$ of an inch. Cotton having a staple length in excess of 1 inch may be delivered on contract but such cotton commands the same premium as 1-inch cotton. A deduction is made for each bale having a staple length of $2\frac{9}{32}$ of an inch and for each bale having a staple length of $\frac{7}{8}$ of an inch, which in each instance is the full commercial discount applicable to such staples under $1\frac{5}{16}$ of an inch. The language referring to staple premiums and discounts is quoted under "Staple Differences." Irrigated or "non-rain-grown" cotton is tenderable only if the grade is Middling (White or Extra White) or above and if the staple is $1\frac{1}{32}$ inches or longer. Cotton remaining under certification for a period exceeding 10 months carries a penalty of 15 cents per bale per month beginning with the eleventh month, and the deliverer must make such allowance for each calendar month or fraction thereof. Cotton reduced in value because of the presence of extraneous matter of any character or irregularities or defects below its grade or below its apparent length of staple according to the official cotton standards is not deliverable. The delivery points are New Orleans, Houston, and Galveston. Flat cotton may be delivered but an allowance must be made for the cost of compression to standard density, which at present is \$1 per bale.

BOARD OF TRADE OF THE CITY OF CHICAGO

The rules of the Chicago Board of Trade with respect to qualities of cotton deliverable on cotton futures contracts are in substance the same as those of the New Orleans Cotton Exchange. The Chicago rules provide, among other things, that "the rules and regulations relating to trading in cotton shall be interpreted so that cotton which is in a tenderable position in New Orleans and tenderable upon contracts made on the New Orleans Cotton Exchange shall also be tenderable upon contracts made on the Board of Trade of the City of Chicago, and it is intended further than when cotton is delivered in satisfaction of futures contracts * * * (it) shall conform to the rules of the New Orleans Cotton Exchange with respect to location for delivery, grade, staple of cotton, and the general requirements of such exchange to accomplish the purpose of section 5 of the Cotton Futures Act." The delivery points are New Orleans, Houston, and Galveston.

The following is quoted from the rules of the cotton futures exchanges with reference to staple premiums and discounts.

STAPLE DIFFERENCES

NEW YORK

"The notice price shall be the invoice price for Middling fifteen-sixteenths inch staple. Additions and deductions for other deliverable grades shall be made at the average of the differences quoted on the sixth business day prior to the day

of the delivery for corresponding grades in the spot markets designated by the Secretary of Agriculture for the purpose of quoting grade difference in accordance with the United States Cotton Futures Act, amendments thereto and the regulations issued thereunder.

"An addition shall also be made for each bale having a staple of thirty-one thirty-seconds of an inch and for each bale having a staple of one inch, which shall be respectively 75 percent of the average premium for like staple over fifteen-sixteenths of an inch staple quoted on the sixth business day prior to the day of delivery in such of the spot markets above referred to as do quote staple differences. Cotton of staple in excess of one inch shall receive the same premium as one inch cotton. A deduction shall also be made for each bale having a staple of twenty-nine thirty-seconds of an inch and for each bale having a staple of seven-eighths of an inch, which shall be at the full discount for like staple under fifteen-sixteenths of an inch quoted on the sixth business day prior to the day of delivery in such of the spot markets above referred to as do quote staple differences. * * *

"Grade and staple differences for deliveries on contract at Gulf ports shall be based on the averages of the commercial differences in Dallas, Houston, Galveston, New Orleans, and Memphis, and for deliveries at Atlantic ports on the averages of the commercial differences in Savannah, Augusta, Charleston, Montgomery, and Memphis as provided in section 4.03, paragraphs (23) and (24), of the bylaws."

NEW ORLEANS

"Staple cotton may be delivered on contract and allowed a premium as hereinafter provided.

"Cotton having a staple of twenty-nine thirty-seconds of an inch and/or a staple of seven-eighths of an inch shall be delivered at the full discount for like staples as quoted on the day before issuance of notice of delivery in such of the markets designated as bona fide spot markets by the United States Secretary of Agriculture under provisions of the United States Cotton Futures Act, as in the opinion of the Board of Directors shall have established an adequate system of quotations.

"Cotton declared by the United States Board of Cotton Examiners as having a length of thirty-one thirty-seconds of an inch and one inch shall be delivered on contracts at 100 percent of the average premiums for like staples, as quoted on the day before issuance of notice of delivery, in such of the markets designated as bona fide spot markets by the United States Secretary of Agriculture under the provisions of the United States Cotton Futures Act, and which in the opinion of the Board of Directors shall have established an adequate system of quotations of thirty-one thirty-seconds of an inch and inch cotton. Any cotton having a staple in excess of one inch may be delivered on contracts, but shall not receive a higher premium under this rule than that of inch cotton. * * *

The averages of the staple premiums and discounts as quoted in New Orleans, Memphis, Little Rock, Dallas, Houston, and Galveston are used in futures contract settlements in New Orleans.

CHICAGO

The provisions of the Chicago rules with reference to staple premiums and discounts are essentially the same as those of the New Orleans Cotton Exchange.

GRADE DIFFERENCES FOR DELIVERIES ON FUTURES CONTRACTS

The present regulations under the Cotton Futures Act designate the following spot markets for the purpose of determining, as provided in section 6 of the act, the differences above or below the contract price which the receiver shall pay for grades other than the base grade (Middling) delivered in settlement of section 5 contracts:

1. For cotton delivered in settlement of any such contract at delivery points on or near the Gulf of Mexico:

New Orleans.
Memphis.

Houston.
Galveston.

Dallas.

(The averages of the commercial differences of these five markets are at present applicable to deliveries on futures contracts of the New York Cotton Exchange at Mobile and on the New York, New Orleans, and Chicago contracts at Houston, Galveston, and New Orleans.)

2. For cotton delivered in settlement of any such contract at delivery points on the Atlantic coast:

Memphis.	Augusta.	Charleston.
Montgomery.	Savannah.	

(The averages of the commercial differences of these five markets are at present applicable to deliveries on futures contracts of the New York Cotton Exchange at New York, Norfolk, Charleston, and Savannah.)

INTERNATIONAL UNIVERSAL COTTON STANDARDS CONFERENCE OF 1946

The 1946 conference under the Universal Cotton Standards Agreements was the first conference since 1939. It was convened in Washington on April 8 and was adjourned on April 12, 1946. It was attended by representatives of all signatory associations in other countries except Germany and Japan, and by representatives of various organizations in the United States. The names of those in attendance and copies of the documents signed at the conclusion of the work on the standards are given below.

European Delegates to Universal Cotton Standards Conference of 1946:
Centro Algodonero Nacional, Barcelona, Spain: F. Javier Esteve, Gabriel Buixó Riera.

Marché de Coton à Gand, Ghent, Belgium: Chs. Wibo, G. Joski, accompanied by Marc Hubaian.

Syndicat du Commerce des Coton au Havre, Havre, France: Jacques Westphalen-Lemaitre, L. Chausserie-Lapréé.

Liverpool Cotton Association, Ltd., Liverpool, England; James B. Gartside, J. Glyn Williams.

Manchester Cotton Association, Ltd., Manchester, England: George Holden, Harry Robinson.

Federation of Master Cotton Spinners' Associations, Ltd., Manchester, England: Harry Scott Butterworth, John Walsh.

Associazione Cotonieri Italiana, Milan, Italy: Camillo Ricordi, Carlo Castellano.

Vereeniging voor den Katoenhandel te Rotterdam, Rotterdam, Holland: Ch. de Monchy, C. Stahl, Jr.

The delegates from Havre also represented Groupement d'Importation et Repartition du Coton, and Ch. de Monchy represented the government of the Netherlands.

W. H. Howden was in attendance as a representative of the British Cotton Control, Ramón de Pérez-Cabrero Cendra as a representative of the Spanish Consorcio de Industriales Textiles Algodoneros, Ivan Lombardo, Under Secretary for Industry and Commerce, as a representative of the Italian government, and Franz Martin as an observer from Belgium.

American Delegates to Universal Cotton Standards Conference of 1946:
Alabama Cotton Manufacturers' Assn., Anniston, Ala.; H. H. Green, — Turman.

American Cotton Cooperative Assn., Memphis, Tenn.: W. W. Sansom.

American Cotton Manufacturers Assn., Charlotte, N. C.: A. W. Fisher, A. B. Emmert.

American Cotton Shippers' Assn., Memphis, Tenn.: C. L. Andrews (also attending: W. B. Davis, R. C. Dickerson, A. M. Grayson, Marc Anthony).

Arkansas Cotton Trade Assn. and Little Rock Cotton Exchange, Little Rock, Ark.: H. A. Mooney.

Atlantic Cotton Assn., Atlanta, Ga.: F. B. Montgomery, W. A. Thompson, W. D. Lawson (W. A. Thompson and W. D. Lawson also represented the Augusta Cotton Exchange).

California-Arizona Cotton Assn., Los Angeles, Calif.: Walter J. Simpson.

Cotton Manufacturers' Assn. of Georgia, Atlanta, Ga.; B. J. Kane, B. A. Dodd.
 Cotton Manufacturers' Assn. of North Carolina, Charlotte, N. C.: E. R. Betts,
 W. J. Richards.
 Cotton Manufacturers' Assn. of South Carolina, Greenville, S. C.: W. A. Floyd,
 H. E. Russell.
 Houston Cotton Exchange, Houston, Tex.: K. W. Attwell.
 Irrigated Cotton Growers Assn., Phoenix, Ariz.: Louis J. Ivey.
 Memphis Cotton Exchange, Memphis, Tenn.: Chas. H. Bradshaw.
 National Assn. of Cotton Manufacturers, Boston, Mass.: Russell T. Fisher,
 Daniel Mahoney, Harry S. Newcombe.
 National Cotton Council, Memphis, Tenn.: Sid West.
 New Orleans Cotton Exchange, New Orleans, La.: J. E. Gould.
 New England Cotton Buyers' Assn., Boston, Mass.: W. Raymond Jones.
 New York Cotton Exchange, New York, N. Y.: Perry E. Moore, Ferd P. Lordan.
 North Carolina Cotton Growers' Cooperative Assn., Raleigh, N. C.: D. D.
 Williams.
 Oklahoma State Cotton Exchange, Oklahoma City, Okla.: S. B. Douglas, O. B.
 Crofford.
 Southern Combed Yarn Spinners' Assn., Gastonia, N. C.: Ralph S. Robinson,
 W. A. Julian.
 Southern Cotton Shippers Assn., Memphis, Tenn.: W. J. Britton.
 Southwestern Irrigated Cotton Growers' Assn., El Paso, Tex.: James D. Mason.
 Texas Cotton Assn., and Dallas and Galveston Cotton Exchanges: A. Starke
 Taylor.

OTHERS IN ATTENDANCE

Dr. Barba Gelata, Agricultural Attaché, and Jorge L. Solá, Commercial Attaché,
 Argentine Embassy.

Miguel Echegaray, Spanish Embassy.

Dr. Vincenzo Vogliolo, Italian Embassy.

Earl J. Smith, representing the Solicitor, United States Department of Agriculture.

P. K. Norris, representing the Office of Foreign Agricultural Relations, United States Department of Agriculture.

Robert P. Sweeny, representing the United States Department of Commerce.

At the opening session of the conference on the morning of April 8, 1946, the delegates were welcomed by the Secretary of Agriculture and by officials of the Cotton Branch, PMA.

The European delegation inquired whether it was "the intention of this conference to approve a new original set of standards rather than to make key sets to match existing standards * * *." The presiding officer read the following cable which it had been necessary to send to the signatory associations on March 6, 1946, after the work of preparing for the conference had been undertaken:

"On account of marked changes in color of 1939 key sets and in original standards as promulgated in 1935, it is necessary to request that delegates to standards meeting which is to convene on April 8 come prepared to consider new boxes now in preparation as new standards to replace those now in effect after a year's notice. With all information available, however, every effort being made to duplicate 1935 standards as and when established."

After the meeting on the morning of April 8, the first reserve set of 1939 was removed from the vault of the Treasury Department and opened for examination in the building known as the Agriculture Annex. This set, together with the special working set of 1939, the original grade boxes of the Universal standards which were approved in 1935, and a set of new boxes prepared as a possible basis for revised standards, was examined during the afternoon of April 8 and on April 9.

Discussions in the cotton classing room and later in a conference room in another building indicated that the representatives of the European associations and of the American organizations of farmers and merchants, as well as representatives of the futures exchanges, considered the new boxes of the standards satis-

factory as a basis for revised standards, subject only to slight adjustments. Spokesmen of the cooperative associations and of the merchants' organizations commented favorably on the new boxes and indicated a belief that the cotton in them was more nearly representative of recent crops than the cotton in the 1939 key sets which represented the standards approved in 1935. Mr. Gartside, of the Liverpool Cotton Association, observed that the standards in the new boxes were whiter than the existing standards; that in his opinion good work had been done in preparing them; that he considered the lower grades as embracing cotton slightly lower than the old standards; but that the new boxes were acceptable as revised standards and that the markets would adjust to them. Spokesmen of the organizations of American manufacturers expressed the opinion that the standards in the new boxes, although whiter, illustrated less desirable color and lower values than the old standards; urged that the old standards or the 1939 key sets representing them be continued in effect; and expressed an unwillingness to approve the new boxes.

The Acting Director of the Cotton Branch pointed out that at least a year's notice of revised standards would be required and that between the date of promulgation and the effective date, probably August 1, 1947, buyers and sellers would have sufficient opportunity to adjust themselves to the revisions. He suggested that after any necessary modifications, the conference proceed with the work on the revised boxes and duplicates of them. At the same time he expressed the hope that the representatives of all associations would assist the technical staff of the Cotton Branch in the work that remained to be done.

During the discussions on April 9 it was brought out that although the 1939 key sets held by the Department had so changed that they could not be used as a basis of comparison in making the new boxes, every effort had been made to prepare the boxes representing the eight basic white grades in such a way as to approximate as nearly as possible the original standards of 1935, as promulgated in that year, and that a comparison of color measurements of the 1935 standards made in 1935 with color measurements of the standards in the new boxes showed that the latter closely matched the 1935 standards as and when established. It was further shown that according to color measurements some of the grades of the 1939 key sets as passed in 1939 had deviated upward to a certain extent from the original 1935 standards. Representatives of the American associations of manufacturers did not participate in the conference after the meeting on April 9.

Original representations or grade boxes of the proposed revised standards were approved after a slight adjustment had been made. The work of approving the duplicate key sets got under way on the morning of April 10. At the same time a proposal to include a descriptive grade for Strict Low Middling Gray cotton was agreed to. This grade will apply to certain gray cottons such as were found in recent crops but which were outside the range of the 1935 standards.

In a general meeting preceding final adjournment of the conference, there was an informal discussion of the changes that had occurred in the methods of distributing cotton and the possible effect of such changes on the future of the Universal Standards Agreements. There also was a brief discussion of possible arrangements under which the conferences for approving key sets of the standards at stated intervals might be dispensed with. The European delegation was of opinion that the conferences should continue to be held in Washington at intervals of 3 years. Representatives of some of the American groups also expressed the hope that the meetings would continue as in the past.

It was understood, of course, that if the agreements remain in effect, another international conference will be held in the spring of 1949, and that in any event the agreements could, under their terms, be terminated only after 6 months' notice given prior to August 1 of any year.

The following are the documents signed during the conference and the order of the Acting Secretary of Agriculture promulgating the revised standards:

Pursuant to invitation by the Cotton Branch, Production and Marketing Administration, U. S. Department of Agriculture, we the undersigned representatives of the organizations whose names appear opposite our own, assembled at the City of Washington April 8 to 12, 1946, and considered certain proposed revised standards of the United States for the grade of American upland cotton; and, having approved such proposed revised standards, we hereby recommend that they be promulgated by the Secretary of Agriculture.

Delegates from Europe

American Delegates

<u>Name</u>	<u>Representing</u>
Centro de Exportación de Bélgica	A. Sterre D'Yver - The Brussels Cotton Assn
<i>J. M. Williams</i>	" Dallas Cotton & Board of Trade
<i>J. H. Barnes</i>	" Galveston Cotton & Board of Trade
<i>W. G. Woodward</i>	Federation of Master Cotton Spinners Associations, Limited, of England
<i>W. G. Woodward</i>	James J. Mooney, President, California Cotton Exchange
<i>W. G. Woodward</i>	W. A. Moore, Little Rock Cotton Exchange
<i>W. G. Woodward</i>	C. H. Thompson, Atlanta Cotton Assn.
<i>W. G. Woodward</i>	Augusta Cotton Exchange
<i>W. G. Woodward</i>	Berry & Moore, New Orleans Cotton Exchange
<i>W. G. Woodward</i>	H. H. Farwane, American Cotton Cooperative Assn.
<i>W. G. Woodward</i>	Charles Bradshaw - Memphis Cotton Exchange
<i>W. G. Woodward</i>	Ben M. Journeé - Southern Cotton Shippers Assn.
<i>W. G. Woodward</i>	J. A. Compton
<i>W. G. Woodward</i>	Walter Simpson
<i>W. G. Woodward</i>	K. V. Attwells
<i>W. G. Woodward</i>	Rotterdam Commodity Exchange
<i>W. G. Woodward</i>	A. Stahl
<i>W. G. Woodward</i>	Associations Cotonnières Italiennes
<i>W. G. Woodward</i>	Tom Larkins
<i>W. G. Woodward</i>	Opinions
<i>W. G. Woodward</i>	W. B. Douglas
<i>W. G. Woodward</i>	F. B. Montgomery
<i>W. G. Woodward</i>	W. G. Snelton
<i>W. G. Woodward</i>	Oklahoma City Cotton Exchange
<i>W. G. Woodward</i>	Atlanta Cotton Assn.
<i>W. G. Woodward</i>	Southern Cotton Shippers Assn.

The Honorable
The Secretary of Agriculture

Sir

We, the cotton exports assembled at Washington beginning on April 8, 1946, pursuant to Supplemental Agreement A relating to the Universal Standards for American Cotton, certify that we have examined and hereby approve as true copies of the original Universal Standards for American Cotton to be promulgated effective August 1, 1947, full sets numbers 1 to 55, inclusive, and the following additional boxes: 11 SGM, 29 GM, 39 SM, 38 M, 26 SM, 23 LN, 12 SGO, 7 GO, 7 SMC, 6 MT, 3 SLM.

This 12th day of April 1946.

Delegates from Europe

American Delegates

Name	Representing
<u>Central African Republic</u>	<u>African Anglo</u>
<u>J. B. Guapo</u>	<u>The French and Belgian "African and Belgian Board of Trade</u>
<u>Federation of Master Cotton Spinners' Association, Limited, of England</u>	<u>The First and Second Cotton Graded Areas of Great Britain and Northern Ireland</u>
<u>Mr. Julian G. Mullis</u>	<u>H. A. Thompson Federation of American Cotton Exchanges</u>
<u>H. Blantside</u>	<u>Berry E. Moore New York Cotton Area</u>
<u>J. P. John Williams</u>	<u>W.A. Thompson Atlanta Cotton Area</u>
<u>George Goldfarb</u>	<u>Augusta Cotton Exchange</u>
<u>H. Novinsen</u>	<u>Bu. St. Louis Southern Cotton Shippers Assn.</u>
<u>Lith. George Goldfarb</u>	<u>W. H. Harrison - American Cotton Cooperative Assn.</u>
<u>Vereniging voor den Katoen te Rotterdam</u>	<u>Chas. Bradshaw - Memphis Cotton Exchange</u>
<u>Associations</u>	<u>Jacobson Southwestern Argentine Cotton Exports Assn.</u>
<u>P. Stoll</u>	<u>W. A. Alline Houston Cotton Exchange</u>
<u>Associations Cotonniere Italienne</u>	<u>LB Farbman Oklahoma City Cotton Exchange</u>
<u>Cotonniers</u>	<u>D. J. Bullock Southern Cotton Shippers Assn.</u>
<u>Chimex</u>	<u>F. S. Montgomery Atlanta Cotton Area</u>

We, being members of the Special Committee appointed to safeguard the handling, storage, and transportation of the key sets of standards prepared during the Universal Cotton Standards Conference which convened in the City of Washington on April 8, 1946, pursuant to Supplemental Agreement A relating to the Universal Standards for American cotton, certify that the following numbered sets were allotted as shown herein at a drawing held in accordance with Supplemental Agreement A in room 609 of the Agricultural Annex on April 11, 1946:

- 1 U. S. Department of Agriculture
- 2 U. S. Department of Agriculture
- 3 U. S. Department of Agriculture
- 4 First set drawn by Ghent
- 5 First set drawn by Milan
- 6 U. S. Department of Agriculture
- 7 U. S. Department of Agriculture
- 8 U. S. Department of Agriculture
- 9 First set drawn by Liverpool
- 10 Fourth set drawn by Liverpool
- 11 U. S. Department of Agriculture
- 12 U. S. Department of Agriculture
- 13 Fourth set drawn by Barcelona
- 14 Second set drawn by Havre
- 15 U. S. Department of Agriculture
- 16 U. S. Department of Agriculture
- 17 Third set drawn by Havre
- 18 Fourth set drawn by Havre
- 19 Second set drawn by Manchester Cotton Assn.
- 20 U. S. Department of Agriculture
- 21 U. S. Department of Agriculture
- 22 U. S. Department of Agriculture
- 23 U. S. Department of Agriculture
- 24 U. S. Department of Agriculture
- 25 Second Reserve Set of 1946
- 26 U. S. Department of Agriculture
- 27 Third set drawn by Ghent
- 28 U. S. Department of Agriculture
- 29 U. S. Department of Agriculture
- 30 U. S. Department of Agriculture
- 31 Third set drawn by Milan
- 32 Third set drawn by Barcelona
- 33 U. S. Department of Agriculture
- 34 Special Working Set
- 35 Federation of Master Cotton Spinners' Assns.
- 36 First set drawn by Rotterdam
- 37 Second set drawn by Milan
- 38 Third set drawn by Liverpool
- 39 Third set drawn by Manchester Cotton Assn.
- 40 Second set drawn by Liverpool
- 41 Second set drawn by Barcelona
- 42 U. S. Department of Agriculture
- 43 U. S. Department of Agriculture
- 44 U. S. Department of Agriculture
- 45 First Reserve Set of 1946
- 46 Second set drawn by Ghent
- 47 U. S. Department of Agriculture
- 48 U. S. Department of Agriculture
- 49 First set drawn by Manchester Cotton Assn.
- 50 First set drawn by Havre
- 51 Second set drawn by Rotterdam
- 52 First set drawn by Barcelona
- 53 U. S. Department of Agriculture
- 54 U. S. Department of Agriculture
- 55 U. S. Department of Agriculture

H. Hansen
George Holden
George Fook
C. Stoll
Tharneid
A. Starke Taylor
H. C. Slade

**PUBLIC NOTICE ESTABLISHING OFFICIAL COTTON STANDARDS OF
THE UNITED STATES FOR THE GRADE OF AMERICAN UPLAND
COTTON**

Pursuant to the provisions of the act of Congress which is commonly known as the United States Cotton Futures Act (26 U. S. C. 1940 ed. 1920-1935), and to the provisions of section 6 of the act of Congress which is commonly known as the United States Cotton Standards Act (7 U. S. C. 1940 ed. 56), and by virtue of the authority vested in the Secretary of Agriculture, the regulations applicable to official cotton standards of the United States for the grade of American Upland Cotton (7 CFR 27.151 *et seq.*) are amended, effective as of 12:01 a. m., e. s. t., August 1, 1947, to read as follows: * * *

AUTHORITY: §§ 27.151 to 27.159, inclusive, issued under 26 U. S. C. 1940 ed. 1920-1935 and 7 U. S. C. 1940 ed. 56.

§ 27.151 White Cotton (a) No. 1 (or Middling Fair).—No. 1 or Middling Fair shall be American upland cotton which in color, leaf, and preparation is better than No. 2 or Strict Good Middling.

(b) No. 2 (or Strict Good Middling).—No. 2 or Strict Good Middling shall be American upland cotton which in color, leaf, and preparation is within the range represented by a set of samples in the custody of the United States Department of Agriculture in the District of Columbia in a container marked "Original Official Cotton Standards of the United States, American Upland, No. 2 or Strict Good Middling, effective August 1, 1947."

(c) No. 3 (or Good Middling).—No. 3 or Good Middling shall be American upland cotton which in color, leaf, and preparation is within the range represented by a set of samples in the custody of the United States Department of Agriculture in the District of Columbia in a container marked "Original Official Cotton Standards of the United States, American Upland, No. 3 or Good Middling, effective August 1, 1947."

(d) No. 4 (or Strict Middling).—No. 4 or Strict Middling shall be American upland cotton which in color, leaf, and preparation is within the range represented by a set of samples in the custody of the United States Department of Agriculture in the District of Columbia in a container marked "Original Official Cotton Standards of the United States, American Upland, No. 4 or Strict Middling, effective August 1, 1947."

(e) No. 5 (or Middling).—No. 5 or Middling shall be American upland cotton which in color, leaf, and preparation is within the range represented by a set of samples in the custody of the United States Department of Agriculture in the District of Columbia in a container marked "Original Official Cotton Standards of the United States, American Upland, No. 5 or Middling, effective August 1, 1947."

(f) No. 6 (or Strict Low Middling).—No. 6 or Strict Low Middling shall be American upland cotton which in color, leaf, and preparation is within the range represented by a set of samples in the custody of the United States Department of Agriculture in the District of Columbia in a container marked "Original Official Cotton Standards of the United States, American Upland, No. 6 or Strict Low Middling, effective August 1, 1947."

(g) No. 7 (or Low Middling).—No. 7 or Low Middling shall be American upland cotton which in color, leaf, and preparation is within the range represented by a set of samples in the custody of the United States Department of Agriculture in the District of Columbia in a container marked "Original Official Cotton Standards of the United States, American Upland, No. 7 or Low Middling, effective August 1, 1947."

(h) No. 8 (or Strict Good Ordinary).—No. 8 or Strict Good Ordinary shall be American upland cotton which in color, leaf, and preparation is within the range represented by a set of samples in the custody of the United States Department of Agriculture in the District of Columbia in a container marked "Original Official Cotton Standards of the United States, American Upland, No. 8 or Strict Good Ordinary, effective August 1, 1947."

(i) No. 9 (or Good Ordinary).—No. 9 or Good Ordinary shall be American upland cotton which in color, leaf, and preparation is within the range represented by a set of samples in the custody of the United States Department of Agriculture in the District of Columbia in a container marked "Original Official Cotton Standards of the United States, American Upland, No. 9 or Good Ordinary, effective August 1, 1947."

§ 27.152 Extra White Cotton (a) No. 3 Extra White (or Good Middling Extra White).—No. 3 Extra White or Good Middling Extra White shall be American upland cotton which in leaf and preparation is No. 3 or Good Middling, but which is whiter than No. 3 or Good Middling.

(b) **No. 4 Extra White (or Strict Middling Extra White).**—No. 4 Extra White or Strict Middling Extra White shall be American upland cotton which in leaf and preparation is No. 4 or Strict Middling, but which is whiter than No. 4 or Strict Middling.

(c) **No. 5 Extra White (or Middling Extra White).**—No. 5 Extra White or Middling Extra White shall be American upland cotton which in leaf and preparation is No. 5 or Middling, but which is whiter than No. 5 or Middling.

(d) **No. 6 Extra White (or Strict Low Middling Extra White).**—No. 6 Extra White or Strict Low Middling Extra White shall be American upland cotton which in leaf and preparation is No. 6 or Strict Low Middling, but which is whiter than No. 6 or Strict Low Middling.

(e) **No. 7 Extra White (or Low Middling Extra White).**—No. 7 Extra White or Low Middling Extra White shall be American upland cotton which in leaf and preparation is No. 7 or Low Middling, but which is whiter than No. 7 or Low Middling.

(f) **No. 8 Extra White (or Strict Good Ordinary Extra White).**—No. 8 Extra White or Strict Good Ordinary Extra White shall be American upland cotton which in leaf and preparation is No. 8 or Strict Good Ordinary, but which is whiter than No. 8 or Strict Good Ordinary.

(g) **No. 9 Extra White (or Good Ordinary Extra White).**—No. 9 Extra White or Good Ordinary Extra White shall be American upland cotton which in leaf and preparation is No. 9 or Good Ordinary, but which is whiter than No. 9 or Good Ordinary.

§ 27.153 Tinged Cotton (a) No. 3 Tinged (or Good Middling Tinged).—No. 3 Tinged or Good Middling Tinged shall be American upland cotton which in leaf and preparation is No. 3 or Good Middling, but which in color is within the range represented by a set of samples in the custody of the United States Department of Agriculture in the District of Columbia in a container marked "Original Official Cotton Standards of the United States, American Upland, No. 3 Tinged or Good Middling Tinged, effective August 1, 1947."

(b) **No. 4 Tinged (or Strict Middling Tinged).**—No. 4 Tinged or Strict Middling Tinged shall be American upland cotton which in leaf and preparation is No. 4 or Strict Middling, but which in color is within the range represented by a set of samples in the custody of the United States Department of Agriculture in the District of Columbia in a container marked "Original Official Cotton Standards of the United States, American Upland, No. 4 Tinged or Strict Middling Tinged, effective August 1, 1947."

(c) **No. 5 Tinged (or Middling Tinged).**—No. 5 Tinged or Middling Tinged shall be American upland cotton which in leaf and preparation is No. 5 or Middling, but which in color is within the range represented by a set of samples in the custody of the United States Department of Agriculture in the District of Columbia in a container marked "Original Official Cotton Standards of the United States, American Upland, No. 5 Tinged or Middling Tinged, effective August 1, 1947."

(d) **No. 6 Tinged (or Strict Low Middling Tinged).**—No. 6 Tinged or Strict Low Middling Tinged shall be American upland cotton which in leaf and preparation is No. 6 or Strict Low Middling, but which in color is within the range represented by a set of samples in the custody of the United States Department of Agriculture in the District of Columbia in a container marked "Original Official Cotton Standards of the United States, American Upland, No. 6 Tinged or Strict Low Middling Tinged, effective August 1, 1947."

(e) **No. 7 Tinged (or Low Middling Tinged).**—No. 7 Tinged or Low Middling Tinged shall be American upland cotton which in leaf and preparation is No. 7 or Low Middling, but which in color is within the range represented by a set of samples in the custody of the United States Department of Agriculture in the District of Columbia in a container marked "Original Official Cotton Standards of the United States, American Upland, No. 7 Tinged or Low Middling Tinged, effective August 1, 1947."

§ 27.154 Spotted Cotton (a) No. 3 Spotted (or Good Middling Spotted).—No. 3 Spotted or Good Middling Spotted shall be American upland cotton which in

leaf and preparation is No. 3 or Good Middling, but which in spot or color or both is between No. 3 or Good Middling and No. 3 Tinged or Good Middling Tinged.

(b) **No. 4 Spotted (or Strict Middling Spotted).**—No. 4 Spotted or Strict Middling Spotted shall be American upland cotton which in leaf and preparation is No. 4 or Strict Middling, but which in spot or color or both is between No. 4 or Strict Middling and No. 4 Tinged or Strict Middling Tinged.

(c) **No. 5 Spotted (or Middling Spotted).**—No. 5 Spotted or Middling Spotted shall be American upland cotton which in leaf and preparation is No. 5 or Middling, but which in spot or color or both is between No. 5 or Middling and No. 5 Tinged or Middling Tinged.

(d) **No. 6 Spotted (or Strict Low Middling Spotted).**—No. 6 Spotted or Strict Low Middling Spotted shall be American upland cotton which in leaf and preparation is No. 6 or Strict Low Middling, but which in spot or color or both is between No. 6 or Strict Low Middling and No. 6 Tinged or Strict Low Middling Tinged.

(e) **No. 7 Spotted (or Low Middling Spotted).**—No. 7 Spotted or Low Middling Spotted shall be American upland cotton which in leaf and preparation is No. 7 or Low Middling, but which in spot or color or both is between No. 7 or Low Middling and No. 7 Tinged or Low Middling Tinged.

§ 27.155 **Yellow Stained Cotton (a) No. 3 Yellow Stained (or Good Middling Yellow Stained).**—No. 3 Yellow Stained or Good Middling Yellow Stained shall be American upland cotton which in leaf and preparation is No. 3 or Good Middling, but which in color is deeper than No. 3 Tinged or Good Middling Tinged.

(b) **No. 4 Yellow Stained (or Strict Middling Yellow Stained).**—No. 4 Yellow Stained or Strict Middling Yellow Stained shall be American upland cotton which in leaf and preparation is No. 4 or Strict Middling, but which in color is deeper than No. 4 Tinged or Strict Middling Tinged.

(c) **No. 5 Yellow Stained (or Middling Yellow Stained).**—No. 5 Yellow Stained or Middling Yellow Stained shall be American upland cotton which in leaf and preparation is No. 5 or Middling, but which in color is deeper than No. 5 Tinged or Middling Tinged.

§ 27.156 **Gray Cotton (a) No. 3 Gray (or Good Middling Gray).**—No. 3 Gray or Good Middling Gray shall be American upland cotton which in leaf and preparation is No. 3 or Good Middling, but which is more gray in color than No. 3 or Good Middling and no darker in color than the dullest bale in No. 6 or Strict Low Middling.

(b) **No. 4 Gray (or Strict Middling Gray).**—No. 4 Gray or Strict Middling Gray shall be American upland cotton which in leaf and preparation is No. 4 or Strict Middling, but which is more gray in color than No. 4 or Strict Middling and no darker in color than the dullest bale in No. 7 or Low Middling.

(c) **No. 5 Gray (or Middling Gray).**—No. 5 Gray or Middling Gray shall be American upland cotton which in leaf and preparation is No. 5 or Middling, but which is more gray in color than No. 5 or Middling and no darker in color than the dullest bale in No. 8 or Strict Good Ordinary.

(d) **No. 6 Gray (or Strict Low Middling Gray).**—No. 6 Gray or Strict Low Middling Gray shall be American upland cotton which in leaf and preparation is No. 6 or Strict Low Middling, but which is more gray in color than No. 6 or Strict Low Middling and no darker in color than the dullest bale in No. 9 or Good Ordinary.

§ 27.157 **General.**—American upland cotton which in color, leaf, and preparation is within the range of the standards established by this order, but which contains a combination of color, leaf, and preparation not within any one of the definitions herein set out, shall be designated according to the definition which is equivalent to, or if there be no exact equivalent is next below, the average of all the factors that determine the grade of the cotton: *Provided*, That in no event shall the grade assigned to any cotton or sample be more than one grade higher than the grade classification of the color or leaf contained therein.

§ 27.158 **Trading in Future Contracts.**—Irrespective of the foregoing provisions of this order, continued trading may take place at any exchange, board of trade, or similar institution or place of business in particular cotton futures now traded in at such place of business and calling for deliveries subsequent to 12:01 a. m., e. s. t., August 1, 1947, subject to settlement by the delivery of cotton according to the standards now in effect (7 CFR 27.151 *et seq.*)

§ 27.159 **Alternate Title for Standards.**—Since these standards have been agreed upon and accepted by the leading European cotton associations and exchanges,

they may also be termed and referred to as the "Universal Standards for American Cotton."

Issued at Washington, D. C., this 30th day of April 1946.

N. E. DODD,
Acting Secretary of Agriculture.



UNIVERSAL STANDARDS AGREEMENTS REPRINTED

The principal Universal Cotton Standards Agreement and the two supplemental agreements are reprinted herein. The principal agreement and Supplemental Agreement A in their present revised form were signed by the European associations on various dates in June and July 1925 and by the Secretary of Agriculture on August 5, 1925. Earlier agreements in somewhat different form had been signed in 1923 and 1924. Supplemental Agreement B was signed by the Secretary of Agriculture on January 31, 1939, after signature by officials of the participating associations. The standards conferences provided for in Supplemental Agreement A are now held at 3-year intervals pursuant to an arrangement informally adopted in 1936.

PRINCIPAL UNIVERSAL COTTON STANDARDS AGREEMENT OF 1923

As amended May 20, 1925

This agreement made and entered into this _____ day of _____ 1923, by and between the United States Department of Agriculture, hereinafter known as the Department, and the Liverpool Cotton Association, Limited, the Manchester Cotton Association, Limited, Syndicat du Commerce des Coton du Havre, Bremer Baumwollbörse, Associazione Cotoniera Italiana, Marché de Coton à Gand, Centro Algodonero de Barcelona (now the Centro Algodonero Nacional), Vereeniging voor den Katoenhandel te Rotterdam, and the Federation of Master Cotton Spinners' Associations, Limited, of England, hereinafter known as the Associations.

Witnesseth that whereas, on 12th June, 1923, the Department and representatives of the American Cotton Industry proposed to delegates representing the European Cotton Industry that in case the European Cotton Associations adopted the Official Cotton Standards of the United States, for grade and color, as Universal Standards, the Secretary of Agriculture would take such action as might be necessary under section 4 of the United States Cotton Standards Act, to vest in the present and next succeeding (annually elected) members of the committees having final jurisdiction in the matter of appeals of the Cotton Associations of Liverpool, Manchester, Havre, and Bremen, authority to determine finally the true classification as to grade and color, in accordance with said Standards of Cotton of American growth exported from the United States; and

Whereas, on 2d July, 1923, the Liverpool Cotton Association, Limited, the Associazione Cotoniera Italiana, the Centro Algodonero de Barcelona, and the Vereeniging voor den Katoenhandel te Rotterdam, did adopt the Official Cotton Standards of the United States, for grade and color, as Universal Standards; and

Whereas, on 13th June, 1923, the Syndicat du Commerce des Coton du Havre and the Marché de Coton à Gand did adopt the Official Cotton Standards of the United States, for grade and color, as Universal Standards; and

Whereas, on 22d June, 1923, the Bremer Baumwollbörse did adopt the Official Cotton Standards of the United States, for grade and color, as Universal Standards; and

Whereas, on 2d July, 1923, the Manchester Cotton Association, Limited, did adopt the Official Cotton Standards of the United States for grade and color as Universal Standards; and

Whereas, on 9th July, 1923, the Federation of Master Cotton Spinners' Associations, Limited, of England, did adopt the Official Standards of the United States, for grade and color, as Universal Standards;

Now, therefore, in consideration of the mutual advantages to be derived herefrom, the Department and the Associations do covenant and agree as follows:

1. That for the purpose of facilitating and promoting foreign commerce, the

Official Cotton Standards of the United States, for grade and color, may be known also as Universal Standards for American Cotton.

2. The Associations agree to make the said Universal Standards the basis of all their contracts in which grades are specified for the purchase and sale of American Cotton.

3. The Associations agree that the original standards shall be kept by the Department at Washington and that no practical forms or copies of the Standards will be used, except those prepared by the Department.

The Department agrees that, during such time as this agreement shall remain in full force and effect, it will make no change or revision of the Standards for grade and color unless such change or revision has been considered in a Meeting which the respective Associations shall have been given full opportunity to attend. Whenever such Meeting shall be held, the voting power as represented by the total of one hundred (100) votes shall be distributed as follows: Fifty (50) votes to be cast by the representatives of the Associations according to such apportionment as they may themselves have agreed upon and fifty (50) votes to be cast by the United States. It is understood, that unless any Association gives written notice of the exact alterations it desires to have made, such Association may exercise its voting power only if it sends its own duly authorised representatives to vote at such Meeting and shall not be entitled to assign its proxy for voting to the representatives of any other Association.

Upon a written request for a change or revision of the Standards signed by an Association or a group of Associations representing not less than fifteen (15) votes, the Department agrees that it will notify the other Associations of such request and will call a meeting as nearly as possible thirty (30) days thereafter, of all the Associations to consider and decide upon the proposed changes or revisions. When any such change or revision shall have received the approval of not less than seventy-five (75) votes, the Department agrees that it will at once make such change or revision which shall be effective not less than twelve (12) months thereafter, and shall give notice at once of such change and its effective date to all the Associations which have adopted such Standards whether represented at such meeting or not.

4. The Department agrees to appoint, from time to time, the members of the committees of the respective Associations or Exchanges having final Jurisdiction in the matter of appeals as officers of the United States Department of Agriculture who may be constituted as boards of cotton examiners. Such boards shall be authorized to determine by a comparison with the Universal Standards or with types or other samples the classification of any Cotton, involved in a dispute, which has been sold on a contract made subject to the articles, bylaws, and rules of the particular Association or Exchange by which the committee is elected or appointed, and to issue certificates showing such determinations. The Department will provide by regulation that such determinations shall be final. When so provided in the articles, rules or bylaws of the association or exchange, such determination may be evidenced by awards but each association agrees that if an award is made which does not state the classification, its committee will, upon request of the owner or custodian of the cotton and the payment of a reasonable additional fee, issue a certificate showing in detail the true classification for grade and color of such cotton based upon a comparison of samples of the cotton with the Universal Standards or with a type or other samples on which the cotton has been sold, as the case may be. The boards so constituted may determine either or both the classification of cotton and its value. With respect to the classification of cotton, this Agreement determines their powers. Money valuation, however, is a conclusion separate and apart from technical classification and with respect to money value the awards of the board of the association under whose terms the contract is made is final so far as the Department is concerned.

Each association agrees to furnish the Department a book containing its articles, bylaws, rules and contracts, and to notify the Department at once of any revisions or amendments of the same as soon as they are proposed, and when they have been acted upon. Each association further agrees to furnish to the Department by cable the names of the members of its committee having final jurisdiction in the matter of appeals, and their business addresses, as soon as their election is announced, as provided in the bylaws of the association. Immediately thereafter the Department shall make temporary appointments of such members of the association, and shall notify the association of its action at once by cable. Within a reasonable time thereafter the secretaries of the respective Associations shall furnish in writing on a form to be provided by the Department such information as may be necessary for the

formal appointment by the Department of the members of such committees, on receipt of which the Department shall make such appointments and shall notify the Members through the secretaries of the associations. Each association agrees to notify the Department by cable of the death, resignation, suspension or removal of any member of such committee and immediately upon the election of his successor, in accordance with the articles and bylaws of the association, the name of such successor. Thereafter the procedure of appointment by the Department shall be the same as that prescribed in the case of ordinary elections or appointments.

5. It is expressly understood that no agreement has been reached between the parties as to staple standards or staple determinations.

6. This agreement shall continue in effect until terminated by the parties after due notice, as provided herein. Any party wishing to withdraw from the agreement may do so on the first day of August of any year by giving 6 months' prior notice in writing to the other parties. Such withdrawal, however, shall terminate the contract only with respect to the party giving notice and shall in no way affect the agreement as to the remaining parties.

**SUPPLEMENTAL AGREEMENT A RELATING TO UNIVERSAL STANDARDS FOR
AMERICAN COTTON AS AMENDED MAY 20, 1925**

This Agreement made and entered into by and between the United States Department of Agriculture (hereinafter known as the Department), and the Liverpool Cotton Association, Limited, the Manchester Cotton Association, Limited, Syndicat du Commerce des Cotons du Havre, Bremer Baumwollbörse, Associazione Cotoniera Italiana, Marché de Coton à Gand, Centro Algodonero de Barcelona (now the Centro Algodonero Nacional), Vereeniging Voor den Katoenhandel te Rotterdam, and the Federation of Master Cotton Spinners' Associations, Limited, of England (hereinafter known as the Associations).

Witnesseth that whereas on various dates from August 1923, to December 1923, both inclusive, the Department and Associations entered into and executed an agreement relating to the use of Universal Standards for American Cotton, which agreement is hereinafter referred to as the principal agreement;

Whereas in furtherance of the purposes of the principal agreement the parties hereto desire to make another agreement which shall be supplemental to the principal agreement, and shall be known as Supplemental Agreement A;

Whereas it is recognised that the Department has invoked the best means known for the storage and preservation of the original Universal Standards, but that the physical appearance of the original samples of cotton constituting the Universal Standards may change in storage in spite of the greatest care with which, and the most favourable conditions under which they may be stored, and that it is imperative to take this into account in the preparation of copies of the original standards, to the end that insofar as possible such copies may be faithful representations of the original Universal Standards as and when they were established; and

Whereas it is the purpose of the Department and the Associations to establish and maintain confidence in the integrity, comparability, and uniformity of copies of the original Universal Standards used by the Department and the Associations.

Now therefore it is agreed that there shall be a meeting of representatives of the parties that shall have signed this agreement at Washington every 2 years beginning on the second Monday in March. The next meeting shall be held in 1927. At each such meeting each Association that shall have signed this agreement may be represented by one or two persons who shall be experts qualified in the classification of American upland cotton. The United States

may be represented by as many such experts as there are experts present representing European Associations that shall have signed this agreement. At such meeting each Association participating in accordance with this agreement shall have one vote, and the United States shall have the same number of votes as the total number of votes cast by the Associations. No expert shall cast the vote of more than one Association. Three-fourths of all the votes cast shall be required for any action. The expense incurred by the one or two experts representing each Association for rail and ocean transportation to and from Washington for the purpose of attending such meeting shall be paid by the Department.

Such meeting shall be for the sole purpose of examining and approving 40 sets of copies of the original Universal Standards as and when they were established, and such additional number as may be required as hereinafter provided, for the use of the United States and the associations during the 2-year period beginning on the first day of August next following their examination and approval. The tendency of the samples representing the original Universal Standards to change in physical appearance shall be taken into account by the experts in examining and approving the copies at such meeting and they shall not depart from the original Universal Standards as and when they were established.

In case of slight change in the first reserve set or in the second reserve set, in the event the latter is substituted for the first reserve set, the conference shall have power to approve any slight variation from such official copies, with the sole object of producing copies of the original standards as and when they were established.

When such copies have been approved the cotton experts representing the United States and the Associations shall sign a certificate showing their approval of such sets in the following form:

"We the cotton experts assembled at Washington beginning on the second Monday in March, 19—, pursuant to Supplementary Agreement A relating to the Universal Standards for American cotton certify that we have examined and hereby approve as true copies of the original Universal Standards for American cotton as and when they were established sets Nos. —— to ——, both inclusive. This —— day of —— 19—."

Thereupon they shall submit the certificate to the Secretary of Agriculture of the United States with their recommendation that such copies be certified as provided by law. When so certified by the Secretary of Agriculture there shall be drawn by lot 2 sets of such copies which the Department shall seal, set aside and preserve in storage unopened until the next meeting. The first set drawn shall be recognized for the purposes of such meeting as the official representation of the original Universal Standards. The second set drawn shall be stored in a building separate from the one in which the first set is stored and in case of damage to or destruction of the first set by fire or accident shall be substituted for the first set.

In case the conference is of the opinion, when the first set is opened, that any change has taken place in such set, they shall open the second set in order that the two may be compared, and if it is agreed at the conference, this second set may be considered the official representation of the original Universal Standards.

Of the remaining sets there shall be drawn by lot and furnished immediately to each Association two sets of such copies gratis, and one additional set gratis to each association having a board of cotton examiners constituted as provided in the principal agreement. In addition to the sets thus furnished to any association it may purchase for its use additional approved sets if in advance of such meeting it shall make written application therefor. If he deems it necessary for such purpose the Secretary of Agriculture may increase the total number of sets to be approved by such meeting. The sets not required for the foregoing purposes shall be used by the United States as decided by the Secretary of Agriculture.

Each association shall devise means and be responsible for the proper custody, care and preservation of the copies furnished to it. Each association shall reserve two of the sets furnished to it. The first set drawn by each association shall be known as reserve set No. 1 and the second set drawn shall be known as reserve set No. 2. Reserve set No. 2 shall not be used except for comparison with other sets and reserve set No. 1 shall be used only for comparison with reserve set No. 2.

Its board of cotton examiners constituted as provided in the principal agreement may use the other sets as working sets in the practical prosecution of its official duties. Such board may make minor corrections from time to time if necessary to keep such working sets in accord with the reserved set. Each Association shall recommend to the Secretary of Agriculture the condemnation and replacement of the reserved set or any part thereof whenever it ceases to represent truly the original Universal Standards, and the condemnation and re-

placement of any such working set or part thereof whenever minor corrections therein are insufficient to make it accord with the reserved set.

Nothing in this supplementary agreement shall be construed as allowing anyone, either representatives of the Department or Associations, to alter or replace during the period for which approved, the sets of copies covered by this supplementary agreement, except as provided in this supplementary agreement.

This agreement is supplemental to the principal agreement and dependent thereon and coterminous therewith and is entered into for the purpose of facilitating the working of the principal agreement and upon the termination of the principal agreement the provisions hereof shall cease to be operative. This agreement shall take effect as to each association on the date of its signature.

**SUPPLEMENTAL AGREEMENT B RELATING TO UNIVERSAL STANDARDS FOR
AMERICAN COTTON**

(Japanese Participation)

This Agreement made and entered into by and between the United States Department of Agriculture (hereinafter known as the Department), and The Liverpool Cotton Association, Limited, The Manchester Cotton Associations, Limited, Syndicat du Commerce des Coton au Havre, Bremer Baumwollbörse, Vereeniging Voor den Katoenhandel te Rotterdam, Federation of Master Cotton Spinners' Association, Limited, Centro Algodonero Nacional, Marché de Coton à Gand, and Federazione Nazionale Fascista Degli Industriali Contonieri (now the Associazione Cotoniera Italiana), hereinafter known as the European Associations, and the Japan Cotton Merchants' Union, the Japan Cotton Spinners' Association, and the Osaka Sampin Exchange (hereinafter known as the Japanese Associations).

Witnesseth that whereas the Department and the European Associations have entered into a certain Principal Agreement and a Supplemental Agreement known as Supplemental Agreement A (which said agreements now in force and effect, were signed by the European Associations on various dates in June and July 1925, and by the Secretary of Agriculture on August 5, 1925), providing, among other things, for the adoption and use by the European Associations of the Universal Standards for American Cotton; for meetings to consider proposed changes or revisions of the said Universal Standards; and for meetings in Washington at regular intervals for the examination and approval of copies of the standards for use by the United States and by the European Associations; and

Whereas, it is desired that the Japanese Associations be permitted to participate in any future meetings to be held pursuant to the Principal Agreement for the purpose of considering changes in the Universal Standards for American Cotton and in the meetings under Supplemental Agreement A for the examination and approval of copies of said standards, and otherwise to participate in the proceedings provided for in said agreements; and

Whereas, the Japanese Associations agree to make the said Universal Standards the basis of all their contracts in which grades are specified for the purchase and sale of American Cotton;

Now, therefore, in consideration of the mutual advantages to be derived herefrom, the Department, the European Associations, and the Japanese Associations do covenant and agree:

1. That hereafter the Japanese Associations may each send representatives to participate in any meeting held pursuant to said agreements.

2. That in any meeting for which provision is made in said Principal Agreement the total number of votes shall be 120, which shall be distributed as follows: 50 votes to be cast by the representatives of the European Associations, according to such apportionment as they may themselves have agreed upon, 10 votes to be cast by the representatives of the Japanese Associations according to such apportionment as they may have agreed upon, and 60 votes to be cast by the United States; and if in any such meeting any proposed change or revision of the standards shall receive the approval of not less than 75 percent of the votes, the Department agrees that it will at once make such change or revision,

(60-16 D 2 U T) for American cotton

which shall be effective not less than 12 months thereafter, and shall give notice at once of such change or revision and its effective date to all the associations which have adopted such standards whether represented at such meetings or not.

3. That in meetings under Supplemental Agreement A each Japanese Association may be represented by one or two persons who shall be experts qualified in the classification of American upland cotton, but the expenses for rail and ocean transportation for which reimbursement will be made by the Department will be limited to those of one expert from Japan, who may represent one or more of the Japanese Associations as authorized by them.

4. That in such meetings under Supplemental Agreement A each European Association participating shall have one vote, the Japanese Associations participating shall have one vote among them, and the United States shall have the same number of votes as the total number of votes cast by all associations, and three-fourths of all votes cast shall be required for any action.

5. That the Department and the respective Associations hereby take notice of existing arrangements for the handling by appropriate committees of the Liverpool Cotton Association of arbitrations and arbitration appeals involving the quality of American cotton sold to purchasers in Japan. Should any Japanese Association wish to establish a Board of Cotton Examiners to be constituted as provided in the Principal Agreement, it is understood that its proposed rules to govern arbitrations and appeals would be submitted to the Department for approval.

6. That upon approval of this agreement by the Secretary of Agriculture and by the European Associations and the Japanese Associations, the Japanese Associations shall become parties to said Principal Agreement and Supplemental Agreement A as hereby modified.

The provisions of this agreement shall cease to be operative upon the termination of said Principal Agreement and Supplemental Agreement A.

ADJUSTMENTS IN TENTATIVE STANDARDS FOR PREPARATION OF LONG STAPLE COTTON

The tentative standards for ginning preparation of upland cotton $1\frac{1}{8}$ inches and longer in staple represent the preparation factor only. They include boxes containing practical forms for three degrees of preparation, A, B, and C, for each of the grades Strict Middling, Middling, and Strict Low Middling. "A" preparation is considered "smooth," "B" preparation is "normal," and "C" preparation is "rough."

In 1939 it was announced that in manufacturing the B or "normal" preparation boxes in the future a special effort would be made to include color typical of the upland long staple cotton crop, of the grades Strict Middling, Middling, and Strict Low Middling, according to the Universal Standards; that all B boxes for each individual grade would be made comparable with each other in color as well as in preparation; and that the leaf in the B boxes would match the leaf in samples 1 to 6, inclusive, in the Universal Standards boxes for these three grades. It was further announced that it would be considered permissible for members of the industry to buy and sell cotton on a permissive basis according to the color, or according to both the color and the leaf, as well as the preparation, represented by the B preparation boxes.

In view of the revision of the Universal Standards for grades of American upland cotton, effective August 1, 1947, the standardization staff is making such minor adjustments as are necessary to assure that the cotton used in the preparation boxes for Strict Middling B, Middling B, and Strict Low Middling B will be within the revised standards for these grades and at the same time will continue to illustrate color typical of long staple cotton.

UNITED STATES COTTON STANDARDS ACT AMENDED

The following is an excerpt from the Act of September 21, 1944, Public Law 425, Seventy-eighth Congress:

"SEC. 401 (b) The United States Cotton Standards Act (7 U. S. C. 51-65)

is hereby amended by changing section 6 to section 6 (a) and by inserting thereafter a new subsection to read as follows:

"(b) The Secretary of Agriculture is authorized to effectuate agreements with cotton associations, cotton exchanges, and other cotton organizations in foreign countries, for (1) the adoption, use, and observance of universal standards of cotton classification, (2) the arbitration or settlement of disputes with respect thereto, and (3) the preparation, distribution, inspection, and protection of the practical forms or copies thereof under such agreements."

PUBLIC NOTICE ESTABLISHING STANDARDS FOR LENGTH OF STAPLE

DEPARTMENT OF AGRICULTURE,
Washington.

Pursuant to the authority vested in the Secretary of Agriculture by section 9 of the United States Cotton Futures Act approved August 11, 1916, 39 United States Statutes at Large, page 476, I, David F. Houston, Secretary of Agriculture, do hereby establish, promulgate, and give public notice of, standards for length of staple of cotton, effective October 25, 1918, as follows:

OFFICIAL COTTON STANDARDS OF THE UNITED STATES FOR LENGTH OF STAPLE

For the purposes of these standards:

SECTION 1. The length of staple of any cotton shall be the normal length by measurement, without regard to quality or value, of a typical portion of its fibers under a relative humidity of the atmosphere of 65 percent and a temperature of 70° F.

SEC. 2. The length of staple of any cotton shall be designated by that one of the following terms which expresses its measurement in inches or fractions of an inch in accordance with section 1 of this order:

Below $\frac{3}{4}$; $\frac{3}{4}$; $\frac{13}{16}$; $\frac{7}{8}$; $\frac{15}{16}$; 1; $1\frac{1}{32}$; $1\frac{1}{16}$; $1\frac{3}{32}$; $1\frac{1}{8}$; $1\frac{5}{32}$; $1\frac{3}{16}$; $1\frac{7}{32}$; $1\frac{1}{4}$; $1\frac{9}{32}$; $1\frac{5}{16}$; $1\frac{11}{32}$; $1\frac{3}{8}$; $1\frac{13}{32}$; $1\frac{7}{16}$; $1\frac{15}{32}$; $1\frac{1}{2}$; $1\frac{17}{32}$; $1\frac{9}{16}$; $1\frac{19}{32}$; $1\frac{5}{8}$; $1\frac{21}{32}$; $1\frac{11}{16}$; $1\frac{23}{32}$; $1\frac{3}{4}$; and upward in like manner in gradations of thirty-seconds, disregarding any fraction less than a thirty-second.

SEC. 3. The lengths of staple designated as $\frac{3}{4}$, $\frac{7}{8}$, 1, $1\frac{1}{16}$, $1\frac{1}{8}$, $1\frac{3}{16}$, $1\frac{1}{4}$, $1\frac{5}{16}$, $1\frac{3}{8}$, $1\frac{1}{2}$, $1\frac{5}{8}$, and $1\frac{3}{4}$ inches, respectively, are each represented by a sample in the custody of the United States Department of Agriculture in a container marked "Original official cotton standards of the United States, length of staple" followed by the appropriate designation of such length of staple.

SEC. 4. Cotton which is more than three-fourths of an inch in length of staple, but is not exactly one of the measurements specified in section 2 of this order, shall be designated by that one of such measurements which comes nearest under its true measurement.

SEC. 5. Whenever the length of staple of cotton taken from one part of a bale is different from that taken from another part of the same bale, the length of staple of the cotton in such bale shall be that of the part which is the shorter.

In testimony whereof, I have hereunto set my hand and caused the official seal of the Department of Agriculture to be affixed, in the District of Columbia, this 25th day of October 1918.

D. F. HOUSTON,
Secretary.



NOTE.—Sections 2 and 3 of the foregoing public notice have been revised from time to time. As now in effect (1947) section 2 reads as follows:

"SEC. 2. The length of staple of any cotton shall be designated by that one of the following terms which expresses its measurement in inches and fractions of an inch in accordance with section 1 of this order:

"Below $\frac{3}{4}$; $\frac{3}{4}$; $\frac{13}{16}$; $\frac{7}{8}$; $\frac{29}{32}$; $\frac{15}{16}$; $\frac{31}{32}$; 1; $1\frac{1}{32}$; $1\frac{1}{16}$; $1\frac{3}{32}$; $1\frac{1}{8}$; $1\frac{5}{32}$; $1\frac{3}{16}$; $1\frac{7}{32}$; $1\frac{1}{4}$; $1\frac{9}{32}$; $1\frac{5}{16}$; $1\frac{11}{32}$; $1\frac{3}{8}$; $1\frac{13}{32}$; $1\frac{7}{16}$; $1\frac{15}{32}$; $1\frac{1}{2}$; $1\frac{17}{32}$; $1\frac{9}{16}$; $1\frac{19}{32}$; $1\frac{5}{8}$; $1\frac{21}{32}$; $1\frac{11}{16}$; $1\frac{23}{32}$; $1\frac{3}{4}$; and upward in like manner in gradation of thirty-seconds, disregarding any fraction less than a thirty-second."

By an order issued by the Acting Secretary of Agriculture on August 7, 1942, effective August 10, 1943, section 3 was last amended to provide for the issuance of official staple length types for American Egyptian cotton of the lengths $1\frac{3}{8}$ and $1\frac{7}{16}$ inches. The need for this amendment arose because in the American Egyptian cotton crop, SXP, of which a large part is of these lengths, had largely replaced the Pima variety. Section 3, as amended, now reads:

“Sec. 3. Original Representations of Staple Lengths.—The lengths of staple designated as $\frac{3}{4}$, $\frac{7}{8}$, $1\frac{5}{16}$, 1, $1\frac{1}{32}$, $1\frac{1}{16}$, $1\frac{3}{32}$, $1\frac{1}{8}$, $1\frac{5}{32}$, $1\frac{3}{16}$, $1\frac{7}{32}$, $1\frac{1}{4}$, $1\frac{9}{32}$, $1\frac{5}{16}$, $1\frac{11}{32}$, $1\frac{3}{8}$, and $1\frac{1}{2}$ inches, respectively, are each represented by a quantity of American upland cotton suitably contained and marked ‘Original Representation of Official Cotton Standards of the United States (American Upland) Length of Staple,’ followed in each instance by the appropriate designations of staple length and the effective date, August 1, 1929; each of the lengths of staple designated as $1\frac{3}{16}$, $2\frac{9}{32}$, and $3\frac{1}{32}$ inches by a quantity of American Upland cotton similarly marked and followed in each instance by the appropriate designation of staple length and the effective date, August 1, 1933; each of the lengths of staple designated as $1\frac{1}{2}$, $1\frac{9}{16}$, $1\frac{5}{8}$, and $1\frac{3}{4}$ inches by a quantity of American Egyptian cotton suitably contained and marked ‘Original Representation of Official Cotton Standards of the United States (American Egyptian) length of Staple,’ followed in each instance by the appropriate designation of staple length and the effective date, August 1, 1929; each of the lengths of staple designated as $1\frac{3}{8}$ and $1\frac{7}{16}$ inches by a quantity of American Egyptian cotton suitably contained and marked ‘Original Representation of Official Cotton Standards of the United States (American Egyptian) Length of Staple,’ followed in each instance by the appropriate designation of staple length and the effective date, August 10, 1943; and each of the lengths of staple designated as $1\frac{1}{2}$, $1\frac{9}{16}$, $1\frac{5}{8}$ and $1\frac{3}{4}$ inches by a quantity of sea-island cotton suitably contained and marked ‘Orginal Representation of Official Cotton Standards of the United States (sea-island) Length of Staple,’ followed in each instance by the appropriate designation of staple length and the effective date, August 10, 1939. Said quantities of cotton are to be kept in the custody of the United States Department of Agriculture.”

COTTONSEED STANDARDIZATION AND GRADING

Permissive standards for cottonseed were first promulgated by the Secretary of Agriculture on May 23, 1932. The following excerpts are from explanatory paragraphs published with the order of promulgation:

“Within the last 50 years cottonseed has come from a farm waste to be a major source of income in the cotton belt. It is important, therefore, that producers be afforded the facilities essential to its effective marketing. Standard grades and methods of grading have long been recognized as a requisite to sound marketing methods for agricultural products generally. That they are also essential in the marketing of cottonseed is apparent from the fact that the oil content of different lots has been found to vary by more than 180 pounds and the protein content by more than 200 pounds per ton of seed, representing variations in value of more than 40 percent. Seed values are further affected by spoilage, measures for which are needed.

“Various efforts to find a method for satisfactorily appraising and evaluating the content of cottonseed marketed for crushing purposes have been more or less continuous since cottonseed began to be important, but the variation both of quantity and condition of the constituents had presented obstacles to this attainment. In 1925 the Bureau of Agricultural Economics undertook, in response to requests from substantial factors in the industry and pursuant to its legal authority, to develop such a grading system. Through its Division of Cotton Marketing, studies of the nature and uses of cottonseed and of the grading requirements of the industry were made and a grading system based upon the chemical composition of the seed was devised.

“To complete the establishment of the standard grading method it was found necessary to perfect and standardize methods of chemical analysis. In December 1928 a subproject headed by an interbureau committee was organized in cooperation with the Bureau of Chemistry and Soils to solve this phase of the problem. This committee has worked in close collaboration with the oil, fat, and wax laboratory of the Bureau of Chemistry and Soils and with practically all of the commercial and private laboratories interested in the analysis of cottonseed, * * *. The cooperation of the American Oil Chemists’ Society is also acknowledged with appreciation.”

The cottonseed standards have been used on a voluntary basis by a substantial

part of the cottonseed crushing industry since they were promulgated. The States of the Mississippi Valley area (Arkansas, Louisiana, Mississippi, Tennessee, southeast Missouri, and southern Illinois) have used the standards as a basis for purchase almost continuously since they were published in 1932. In 1937, at the request of the cottonseed industry, the Cotton Branch undertook the supervision of sampling and grading of cottonseed. The use of the standards has gradually extended through the Southeastern States, Alabama, Georgia, North Carolina, South Carolina, and north Florida, as well as the Southwestern States, Oklahoma and a large part of Texas. During World War II the cottonseed standards made important contributions to the Government cottonseed programs.

Since the standards were first published, the accumulation of data and experience has, on occasion, necessitated refinements, and revisions have been made from time to time in order to make the standard grades more applicable to various conditions and variations in value which have been noted in different areas. The oil content of different lots of cottonseed has been found to vary by more than 250 pounds per ton and the meal content (basis 41 percent protein) by more than 450 pounds per ton. These variations represent a range in value of the seed of more than 55 percent.

As last revised in June 1945, the order of promulgation reads:

STANDARDS FOR GRADES OF COTTONSEED SOLD OR OFFERED FOR SALE FOR CRUSHING PURPOSES WITHIN THE UNITED STATES

REVISED STANDARDS

Pursuant to the provisions of the Act of Congress of June 28, 1944 (Pub. L. 367—78th Congress, 2d Sess.), and by virtue of the authority vested in the War Food Administrator, the regulations applicable to standards for grades of cottonseed sold or offered for sale for crushing purposes within the United States (7 CFR 1943 Supp. 28.401 et seq.) are amended, effective 12:01 a. m. August 1, 1945, to read as follows:

Sec.

- 28.401 Determination of grade.
- 28.402 Determination of quantity index.
- 28.403 Determination of quality index.
- 28.404 Sampling, analysis, and certification of samples and grade.

AUTHORITY: §§ 28.401 to 28.404, inclusive, issued under Pub. L 367—78th Cong., 2d Sess., E. O. 9280, 7 F. R. 10179; E. O. 9322, 8 F. R. 3807; E. O. 9334, 8 F. R. 5423; E. O. 9392, 8 F. R. 14783.

§ 28.401 Determination of Grade.—The grade of cottonseed shall be determined from the analysis of samples, and it shall be the result, stated in the nearest whole or half numbers, obtained by multiplying a quantity index by a quality index and dividing the result by 100. The quantity index and the quality index shall be determined as hereinafter provided.

- (a) The basis grade of cottonseed shall be grade 100.
- (b) High grades of cottonseed shall be those grades above 100.
- (c) Low grades of cottonseed shall be those grades below 100.

§ 28.402 Determination of quantity index.—The following formulae shall be used in determining the quantity index of cottonseed:

(a) For cottonseed that by analysis contain 16.5 percent or more of oil, the quantity index shall equal 4 times the percentage of oil, plus 6 times the percentage of ammonia, plus 5.

(b) For cottonseed that by analysis contain less than 16.5 percent of oil, the quantity index shall equal 6 times the percentage of oil, plus 6 times the percentage of ammonia, minus 28.

§ 28.403 Determination of quality index.—The quality index of cottonseed shall be an index of purity and soundness, and shall be determined as follows:

(a) Prime quality cottonseed.—Cottonseed that by analysis contain not more than 1.0 percent of foreign matter, not more than 12.0 percent of moisture, and not more than 1.8 percent of free fatty acids in the oil in the seed, shall be known as prime quality cottonseed and shall have a quality index of 100.

(b) Below prime quality cottonseed.—The quality index of cottonseed that, by analysis, contain foreign matter, moisture, or free fatty acids in the oil in the seed, in excess of the percentages prescribed in § 28.403 (a) shall be found by reducing the quality index of prime quality cottonseed as follows:

- (1) Four-tenths of a unit for each 0.1 percent of free fatty acids in the oil in the seed in excess of 1.8 percent.

(2) One-tenth of a unit for each 0.1 percent of foreign matter in excess of 1.0 percent.

(3) One-tenth of a unit for each 0.1 percent of moisture in excess of 12.0 percent.

(c) **Off quality cottonseed.**—Cottonseed that have been treated by either mechanical or chemical process other than the usual cleaning, drying, and ginning (except sterilization required by the United States Department of Agriculture for quarantine purposes) or that are fermented or hot, or that upon analysis are found to contain 12.5 percent or more of free fatty acids in the oil in the seed, or more than 10.0 percent of foreign matter, or more than 20.0 percent of moisture, or more than 25.0 percent of moisture and foreign matter combined, shall be designated as "off quality cottonseed".

(d) **Below grade cottonseed.**—Cottonseed the grade of which when calculated according to § 28.401 is below grade 40.0 shall be designated as "below grade cottonseed", and a numerical grade shall not be indicated.

§ 28.404 **Sampling, analysis, and certification of samples and grades.**—The drawing, preparation, and certification of samples of cottonseed, and the analysis and certification of grades of cottonseed shall be performed in accordance with methods approved from time to time for the purposes by the Director of Marketing Services, War Food Administration, or his representative.

Issued at Washington, D. C., this 4th day of June 1945.

ASHLEY SELLERS,

Assistant War Food Administrator.

(Standard methods have been prescribed for drawing, preparing, and certifying representative samples of cottonseed, and for the analysis of seed and the certification of grades. A description of these standard methods and copies of the cottonseed regulations may be obtained from the Cotton Branch, Production and Marketing Administration, United States Department of Agriculture, Washington 25, D. C., or from the Cotton Branch office at 1132 Falls Building Memphis, Tenn.)

So rapid was the growth of the cottonseed industry that more attention was given to the methods of processing and the distribution of the products than to the methods of purchasing the seed. The idea became prevalent that so far as the composition of the seed was concerned about the same quantities of products could be obtained from any variety or growth, and that the products would be of about the same quality provided the seed had not deteriorated or been damaged.

Some of the more progressive cottonseed crushers who realized that different lots of cottonseed varied widely in their composition, initiated steps in about 1914 with a view to establishing a method of grading. This work was abandoned about 1919, after a method of discounting the base price had been adopted. No basis grade was established, but it was assumed that the base price would represent the value of the average of the recoverable products. The discounts were based on immature seeds, discolored kernels, moisture, and foreign matter. The accuracy of determinations of such discounts depended almost entirely on personal opinion and quite frequently the discounts were excessive. Without a basis grade the local prices paid for cottonseed presumably approached the values of the average quantity and quality of obtainable products as influenced by local conditions of growth, effects of local storms, and droughts. Varying prices prevailed, however, in practically all areas and the producers and ginners were often uncertain as to whether they were receiving proper values for their seed. No provision was made for premiums for seed better than the average or for protection on purchases of seed poorer than the local average.

By 1924 the industry realized that these rules of purchase were equitable neither to the crushers nor to the producers, and at the annual convention of the Interstate Cottonseed Crushers' Association (now the National Cottonseed Products Association) held in May 1924, a resolution was passed requesting the United States Department of Agriculture to make a study of the subject with a view to establishing standards for grades of cottonseed. Studies were begun in July 1925. Briefly, these studies developed the following facts: (1) That from a quantitative standpoint different lots of cottonseed varied widely in oil content, in protein content, in moisture content, in kernel content, and in residual fiber content, although value was usually based on the oil content alone; (2) That the method of measuring deterioration according to the color of the kernels had no scientific basis and frequently resulted in injustices; (3) That the sam-

pling of cottonseed and the handling of samples were done by crude and inaccurate methods so that representative samples were rarely obtained; and (4) That the methods of chemical analysis varied between laboratories and that many of the methods in use were inaccurate.

The studies were, therefore, directed toward: (1) Correlating the variable ingredients of cottonseed so as to evaluate them quantitatively; (2) Accurately measuring the amount of deterioration; (3) Obtaining accurate samples and preserving the samples; and (4) Bringing about uniformity and accuracy in the methods of chemical analysis. The grades, the method of grading, and the methods of sampling and analysis as first provided for in 1932 were the results.

BASIS GRADE

Under the method of determining the grade set up in the existing standards, many combinations of the ingredients of cottonseed are possible that will result in the basis grade of 100; but for the purposes of price determinations this grade may be thought of as having the following basic analysis: 18.5 percent of oil; 3.50 percent of ammonia; and not to exceed 1.8 percent of free fatty acids in the oil in the seed, 1.0 percent of foreign matter, or 12.0 percent of moisture. The quantity index of seed having such an analysis would be 100 and the quality index 100, thus giving a grade of 100. With standard crushing efficiency and depending on the manufacturing and moisture loss during processing, a ton of cottonseed that has such an analysis will yield 313 pounds of oil, 822 pounds of cake/meal (41.13 percent protein content), approximately 170 pounds of linters, and approximately 575 pounds of hulls. All of these products will be of prime quality. The price of cottonseed of the basis grade, therefore, should have a direct relationship to the sale value of these quantities of products, minus the costs of assembling, processing, distributing, and profit.

QUANTITY INDEX

In the standard method of grading, a quantity index is first determined for the reason that the oil content of different lots of cottonseed varies in normal seasons from below 10 percent to over 23 percent, or by more than 250 pounds of oil to the ton of seed. Furthermore, the protein content (measured in terms of ammonia) has been found to vary from below 2.60 percent to above 4.80 percent, thus indicating a difference of more than 450 pounds of cake/meal of 41.13 percent protein.

Some lots of cottonseed are found to be deficient in both oil and protein, whereas other lots are found to be higher in both oil and protein than the average. But generally there is an inverse relationship between the content of oil and the protein, so that seed that are extra high in oil content are usually deficient in protein, and seed that are found to be low in oil generally have a high development of protein. The method of determining the quantity index provides for the offsetting of a deficiency of one of these ingredients by an extra quantity of the other.

For the seasons 1937-38 through 1946-47 more than 700,000 official certificates of grade and analysis were studied. These covered total shipments of about 18,000,000 tons of cottonseed. In these analyses the percentages of oil varied from 5.9 to 24.5 percent, and ammonia varied from 2.26 to 5.49 percent. The quantity index varied from approximately 35.40 to 128.20.

The quantity index is, therefore, an index of the relative quantities of products contained in different lots of cottonseed, the differences in these quantities being due to differences in varieties of seed and to cultural and climatic conditions during the growth and maturity of the fruit of the cotton plant.

Research and investigational work has been undertaken which may lead eventually to the inclusion of residual fiber or lint as one of the factors to be considered in determining the quantity index in some areas where this factor may be important. In data accumulated during the last three seasons extreme variations of from about 3 percent to 17 percent of residual fiber have been noted. Such variations are, of course, unusual.

QUALITY INDEX

The quality of cottonseed from the standpoint of the crusher is affected by those factors that increase the costs of processing, by the hazards of storage and

processing, and by the quality of the obtainable products. Among these factors are free fatty acids in the oil in the seed, excess moisture or foreign matter, heating in storage or in transit, fermentation, frosting of immature bolls, crushed or cracked or hulled seed, and exposure to chemicals. The effects of some of these factors, namely, the free fatty acids in the oil in the seed, moisture, and foreign matter, may be measured, but no means of accurately measuring the effects of the other factors are known at this time.

The percentage of free fatty acids in the oil indicates the extent to which the oil has broken down or deteriorated or the extent to which it is subject to deterioration. Deterioration in the oil is usually accompanied by deterioration in the quality of the other products. This is particularly noticeable in seed in which the free fatty acids exceed 3.0 percent.

The moisture content of cottonseed has an important bearing on the recovery of oil as well as on the quality of all products and the keeping quality of the seed. Better extraction of oil is possible from seed with a moisture content of between 10.5 and 12.0 percent than from seed of any other moisture content. If the seed contain less than 10.0 percent moisture, additional moisture must be added before cooking and extraction, but difficulty in obtaining homogenous distribution of moisture increases as the normal moisture content decreases.

Cottonseed containing moisture in excess of 12.0 percent is subject to deterioration in storage, and the higher the moisture content the more rapid will be the deterioration. This deterioration is frequently accompanied by a rise in temperature, even to the point of charring the seed, and the accompanying increase in the free fatty acids is often very rapid. Costly cooling systems are needed in order to prevent damage to cottonseed in storage, but even the best cooling systems are inadequate for seed in which deterioration has progressed to a substantial degree. Excess moisture (above 12.0 percent) must be removed before crushing or storage if maximum efficiency of operations is to be obtained. But the artificial drying of cottonseed in bulk is costly and is usually accompanied by the lowering of the quality of the products.

When foreign matter is found in cottonseed it is there as a result of harvesting methods, incomplete cleaning during ginning, or in some instances as a result of adulteration. The presence of foreign matter increases the hazards of storage, reduces the efficiency of crushing, and lowers the quality of the products. The removal of foreign matter is costly and difficult. Complete removal is impossible if the moisture content of the seed is high.

REPORTS OF ANALYSES.

Reports of cottonseed analyses should give data expressed to the decimals indicated, on the following items:

	Percent
Foreign matter to-----	0.1
Moisture to-----	0.1
Oil to-----	0.1
Ammonia to-----	0.01
Free fatty acids, not exceeding 5.0 percent, to-----	0.1
Free fatty acids, in excess of 5.0 percent, to-----	0.5
Quantity indexes to-----	0.01
Quality indexes to-----	0.1
Grade to-----	nearest whole or half number

The following examples illustrate the determination of the grade of cottonseed according to the standard method:

Example No. 1: *Prime quality cottonseed.*—Analysis showed: 18.5 percent oil, 3.50 percent ammonia, 1.8 percent free fatty acids, 1.0 percent foreign matter, and 12.0 percent moisture.

$$\begin{array}{r}
 18.5 \text{ by } 4 = 4.625 \\
 3.50 \text{ by } 6 = 0.583 \\
 \text{Plus} \quad \quad \quad 1.0 \\
 \hline
 100.00 \text{—quantity index}
 \end{array}$$

Percentages of free fatty acids, foreign matter, and moisture are within the allowed limits for prime quality cottonseed; hence there are no discounts for quality factors, and the quality index equals 100. The result: (100.0 by 100.0) divided by 100 equals 100, or a Grade of 100.0.

Example No. 2: *High grade prime quality cottonseed*.—Analysis showed: 19.8 percent oil, 4.12 percent ammonia, 1.0 percent free fatty acids, 0.8 percent foreign matter, 9.0 percent moisture.

$$\begin{array}{r}
 19.8 \text{ by } 4=79.2 \\
 4.12 \text{ by } 6=24.72 \\
 \text{Plus} \quad \quad \quad 5.0 \\
 \hline
 108.92 \text{—quantity index}
 \end{array}$$

Percentages of free fatty acids, foreign matter, and moisture are within the allowed limits for prime quality cottonseed; hence no discounts for quality factors, and the quality index equals 100.0. The result: (108.92 by 100.0) divided by 100 equals 108.92 or a Grade of 109.0.

Example No. 3: *Below prime quality cottonseed*.—Analysis showed: 18.5 percent oil, 3.50 percent ammonia, 1.9 percent free fatty acids, 1.1 percent foreign matter, and 12.1 percent moisture.

$$\begin{array}{r}
 18.5 \text{ by } 4=74.0 \\
 3.50 \text{ by } 6=21.00 \\
 \text{Plus} \quad \quad \quad 5.0 \\
 \hline
 100.00 \text{—quantity index}
 \end{array}$$

Percentages of free fatty acids, foreign matter, and moisture come within the specifications for below prime quality cottonseed, and discounts from the quality index are as follows:

Free fatty acids (1.9—1.8)=0.1 percent excess.
 Foreign matter (1.1—1.0)=0.1 percent excess.
 Moisture (12.1—12.0)=0.1 percent excess.

Deductions from basis quality index are:

	Units
Account free fatty acids (0.1 by 4)-----	0.4
Account foreign matter (0.1 by 1)-----	0.1
Account moisture (0.1 by 1)-----	0.1
 Total deductions-----	 0.6

The quality index, therefore, is 100.0 minus 0.6 or 99.4. The result: (100.00 by 99.4) divided by 100 equals 99.4, or a Grade of 99.5.

Example No. 4: *Off quality cottonseed*.—Analysis showed: 18.5 percent oil, 3.50 percent ammonia, 12.5 percent free fatty acids, 4.3 percent foreign matter, and 15.3 percent moisture.

$$\begin{array}{r}
 18.5 \text{ by } 4=74.0 \\
 3.50 \text{ by } 6=21.00 \\
 \text{Plus} \quad \quad \quad 5.0 \\
 \hline
 100.00 \text{—quantity index}
 \end{array}$$

Free fatty acids come within the specifications for off quality cottonseed, whereas foreign matter and moisture exceed the limits allowed for prime quality cottonseed. Discounts for quality are:

Free fatty acids (12.5—1.8)=10.7 percent excess.
 Foreign matter (4.3—1.0)=3.3 percent excess.
 Moisture (15.3—12.0)=3.3 percent excess.

Deductions from basis quality index are:

	Units
Account free fatty acids (10.7 by 4)-----	42.8
Account foreign matter (3.3 by 1)-----	3.3
Account moisture (3.3 by 1)-----	3.3
 Total deductions-----	 49.4

The quality index (100.0—49.4) equals 50.6.

The result: (100.00 by 50.6) divided by 100 equals 50.6, or a Grade of 50.5. The seed are designated "Off Quality Cottonseed."

Example No. 5: *Below grade cottonseed*.—Analysis showed: 18.5 percent oil, 3.50 percent ammonia, 16.5 percent free fatty acids, 1.5 percent foreign matter, and 18.9 percent moisture.

$$\begin{array}{r} 18.5 \text{ by } 4 = 74.0 \\ 3.50 \text{ by } 6 = 21.0 \\ \text{Plus } \underline{\quad} \quad 5.0 \end{array}$$

100.00—quantity index

Free fatty acids and moisture are so excessive as to exceed the specifications for off quality cottonseed, and the foreign matter is only slightly in excess of that for prime quality cottonseed limit. The discounts for quality bring the seed within the description "Below Grade Cottonseed." The discounts are taken as follows:

Free fatty acids (16.5—1.8) = 14.7 percent excess.

Foreign matter (1.5—1.0) = 0.5 percent excess.

Moisture (18.9—12.0) = 6.9 percent excess.

Deductions from basis quality index are:	Units
Account free fatty acids (14.7 by 4)-----	58.8
Account foreign matter (0.5 by 1)-----	0.5
Account moisture (6.9 by 1)-----	6.9
Total deductions-----	66.2

The quality index (100.0—66.2) equals 33.8.

The result: (100.00 by 33.8) divided by 100 equals 33.8, or a Grade of 34.0, which is substantially below Grade 40. Hence this sample must be designated as "Below Grade Cottonseed" and no numerical grade indicated.

Example No. 6: *For cottonseed containing percentages of oil less than 16.5 percent*.—Analysis showed: 16.4 percent oil, 4.03 percent ammonia, 1.8 percent free fatty acids, 1.0 percent foreign matter, and 12.0 percent moisture.

$$\begin{array}{r} 16.4 \text{ by } 6 = 98.4 \\ 4.03 \text{ by } 6 = 24.18 \\ \text{Minus } \underline{\quad} \quad 28.0 \end{array}$$

94.58—quantity index

Free fatty acids, foreign matter, and moisture come within the limits for prime quality cottonseed; hence there are no discounts for quality factors and the quality index equals 100.0. The result: (94.58 by 100.0) divided by 100 equals 94.58, or a Grade of 94.5.

In those territories where the grading plan is utilized by members of the industry, official samples of cottonseed are drawn by licensed samplers, and analyses are made and grades determined according to the official standards by licensed chemists. The chemists and samplers who perform these services are licensed by the Secretary of Agriculture and their work is under the supervision of the Cotton Branch.

THE HEMP STANDARDS

On August 26 and 27, 1942, conferences were held in the Department to consider the advisability of establishing standards for American hemp fiber. Those in attendance included various hemp growers and manufacturers, and representatives of the then Bureau of Plant Industry, Bureau of Agricultural Chemistry and Engineering, the Commodity Credit Corporation, the Office of Agricultural War Relations, the Agricultural Adjustment Agency, the Board of Economic Warfare, the War Production Board, the Navy Department, and the Cotton Branch of the Agricultural Marketing Administration (the latter now a part of the Production and Marketing Administration).

Because of the need which was apparent at that time for a greatly increased production of hemp in this country and of the need for standard grades as a basis for price-support programs to assure the desired production, it was agreed that standards should be established. As a result of these conferences, a committee was named to prepare a draft of proposed grade descriptions. This committee was composed of representatives of hemp growers, mills, and manufacturers, and of the Navy Department, the Bureau of Plant Industry, and the Agricultural Marketing Administration.

The proposed grade descriptions prepared by this committee were later circulated among various Government officials and interested persons and groups in the hemp industry, and on September 11, 1942, a meeting was held in Washington to consider the standardization plan. At this meeting proposals for grades of hemp line and tow were agreed upon. Those in attendance were:

George A. Hartman, Secretary, Atlas Hemp Co., Juneau, Wis.
 Jere S. Fagan, Smith & Bird, Brokers, New York, N. Y.
 Charles MacKinnon, Plymouth Cordage Co., Plymouth, Mass.
 E. S. Boote, Ludlow Manufacturing & Sales Co., Boston, Mass.
 Harry Stone, 24 Stone St., New York, N. Y.
 Matt Rens, Brandon, Wis.
 Dayton Rens, Brandon, Wis.
 Willard Rens, Brandon, Wis.
 Arthur Rosenfeld, Wm. Steck & Co., Inc., New York, N. Y.
 F. H. Filley, American Manufacturing Co., Brooklyn, N. Y.
 Columbus Moise, American Manufacturing Co., Brooklyn, N. Y.
 G. E. Moreland, Columbian Rope Co., Auburn, N. Y.
 G. F. Quimby, Soft Fibre Manufacturers Institute, New York, N. Y.
 J. LeRoy Farmer, Cedar Rapids, Iowa, and Beaver Dam, Wis.
 F. G. Clay, Agricultural Adjustment Agency, USDA, Lexington, Ky.
 C. E. Bingham, Board of Economic Warfare, Washington, D. C.
 Karl G. Pearson, Navy Department, Washington, D. C.
 G. I. Dewey, Navy Department, Bureau of Ships, Washington, D. C.
 A. R. Howe, War Production Board, Washington, D. C.
 F. R. Clark, War Production Board, Washington, D. C.
 S. H. McCrory, Bureau of Agricultural Chemistry and Engineering, USDA, Washington, D. C.
 Orval E. Goodsell, Office of Agricultural War Relations, USDA, Washington, D. C.
 Dr. B. B. Robinson, Bureau of Plant Industry, USDA, Washington, D. C.
 Dr. Lawrence Myers, Commodity Credit Corporation, USDA, Washington, D. C.
 H. C. Slade and other members of the standardization staff, Cotton Branch, Agricultural Marketing Administration, USDA.
 C. L. Finch, Chief, Standards and Futures Division, Cotton Branch, Agricultural Marketing Administration USDA (Presiding).

Written grade descriptions or specifications were prepared for the following grades:

For the northern or Wisconsin type:

Type W Milled D. R. (Dew Retted) Hemp Line No. 1.
 Type W Milled D. R. Hemp Line No. 2.
 Type W Milled D. R. Hemp Line No. 3.
 Type W D. R. Hemp Tow No. 1.
 Type W D. R. Hemp Tow No. 2.
 Type W D. R. Hemp Tow No. 3.

For the southern or Kentucky type:

Type K Milled D. R. (Dew Retted) Hemp Line No. 1.
 Type K Milled D. R. Hemp Line No. 2.
 Type K Milled D. R. Hemp Line No. 3.
 Type K D. R. Hemp Tow No. 1.
 Type K D. R. Hemp Tow No. 2.
 Type K D. R. Hemp Tow No. 3.

Each of these grades except those for Type K Milled D. R. Hemp Line No. 1 and Type K D. R. Hemp Tow No. 1 was represented by carefully selected type samples of fiber.

The first official promulgation of standards for hemp line and tow was an order of the Secretary of Agriculture dated September 25, 1942. Applicable regulations were promulgated on October 22, 1942, as follows:

REGULATIONS OF THE SECRETARY OF AGRICULTURE GOVERNING THE GRADING OF HEMP LINE AND HEMP TOW

Pursuant to authority vested in the Secretary of Agriculture by the Act entitled "An act making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1943, and for other purposes," approved July 22, 1942 (Public Law 674, 77th Congress), the following regulations governing the grading of hemp line and hemp tow are prescribed and promulgated, the same to be in force and effect on and after November 1, 1942, and thereafter,

so long as Congress shall provide the necessary authority therefor, unless amended or superseded by regulations thereafter promulgated under such authority:

Sec.

- 64.1 Meaning of words.
- 64.2 Terms defined.
- 64.3 Authority.
- 64.4 Official Standards to be used.
- 64.5 Purpose of inspection and grading.
- 64.6 Practical forms furnished.
- 64.7 Conditions incorporated in application for practical forms.
- 64.8 Fees and costs, how paid.
- 64.9 Costs.
- 64.10 Publication.
- 64.11 Misrepresentation, deceptive or fraudulent practice.

Authority: 64.1 to 64.11, inclusive, issued under the act approved July 22, 1942, entitled "An act making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1943 and for other purposes" (Public Law 674, 77th Congress).

DEFINITIONS

64.1 Meaning of words.—Words in these regulations in the singular form shall be deemed to import the plural, and vice versa, as the case may demand.

64.2 Terms defined.—For the purpose of these regulations, unless the context otherwise requires, the following terms shall be construed, respectively, to mean:

(a) **The act.**—The act of July 22, 1942 (Public Law 674, 77th Cong.), entitled "An act making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1943, and for other purposes," which makes provision for enabling the Secretary of Agriculture to investigate and certify to shippers and other interested parties the classification, quality, and condition of farm products "under such rules and regulations as he may prescribe, including payment of such fees as will be reasonable and as nearly as may be to cover the cost for the service rendered. * * * *Provided*, * * * That certificates issued by the authorized agents of the Department shall be received in all courts of the United States as *prima facie* evidence of the truth of the statements therein contained, * * *" and "for acquiring and diffusing among the people of the United States useful information relative to the standardization, classification, grading, preparation for market, handling, and marketing of farm and food products * * * *Provided*, That samples, illustrations, practical forms, or sets of the grades recommended or promulgated by the Secretary of Agriculture for farm or food products may be sold under such rules and regulations as he may prescribe * * *", and future legislation containing similar provisions.

(b) **Person.**—Individual, association, partnership, or corporation.

(c) **Secretary.**—The Secretary of Agriculture or any person or employee of the Department to whom the Secretary has heretofore lawfully delegated or to whom the Secretary may hereafter lawfully delegate the authority to act in his stead.

(d) **Department.**—United States Department of Agriculture.

(e) **Administration.**—The Agricultural Marketing Administration (now the Production and Marketing Administration).

(f) **Hemp and Tow.**—The fiber from the plant "*Cannabis sativa*" grown in the continental United States.

(g) **Official Standards.**—The Official Standards of the United States for Grades of Hemp Line and Hemp Tow.

ADMINISTRATION

64.3 Authority.—The Administrator of the Agricultural Marketing Administration is charged with the supervision on behalf of the United States Department of Agriculture of the performance of all duties arising in the administration of the act and these regulations.

GRADING SERVICE

64.4 Official Standards to be used.—In the grading of hemp and tow under these regulations the official standards shall be used.

64.5 Purpose of inspection and grading.—The Administration may provide a public hemp and tow inspection and grading service, and for the issuance of appropriate certificates, under procedures prescribed by it. Any such inspection service shall be designed to facilitate the application of the official standards and to minimize disputes and arbitrations arising from their use.

STANDARDS

64.6 Practical forms furnished.—Practical forms of the official standards may be furnished to any person requesting them, upon payment of the costs prescribed in section 64.9, and such practical forms may also be loaned for demonstrational purposes.

64.7 Conditions incorporated in application for practical forms.—Each application for practical forms of the official standards shall be upon a blank furnished or approved by the Administration, shall be signed by the applicant, and shall incorporate the following conditions: (a) That no practical form of any official standard shall be considered as representing such standard after the date of its cancellation in accordance with this section, or in any event after the expiration of 12 months following the date of issuance; (b) that each such practical form shall be subject to inspection on any business day between the hours of 9 a. m. and 4 p. m. by any authorized officer or agent of the Department; (c) that any such practical form may be cancelled if it be found, upon inspection, that it does not accurately represent the official standard.

FEES AND COSTS

64.8 Fees and costs, how paid.—Grading fees and costs of practical forms of the official standards shall be paid in accordance with bills rendered, or in advance if required by the Administration. Each remittance shall be in the form of a certified check, post-office money order, or express money order, payable to "Treasurer of the United States."

64.9 Costs.—For practical forms of the official standards, the costs shall be as follows:

(a) For one complete set of practical forms of the official standards for Type W dew retted hemp line and hemp tow, \$10, f. o. b. Washington, D. C., for shipment within the continental United States; and \$12, delivered to destination, for shipment outside the continental United States.

(b) For one complete set of practical forms of the official standards for type K dew retted hemp line and hemp tow, \$6.50, f. o. b. Washington, D. C., for shipment within the continental United States; and \$8.50, delivered to destination, for shipment outside the continental United States: *Provided*, That on and after the approval of physical representations for "Type K Milled D. R. Hemp Line No. 1" and for "Type K D. R. Hemp Tow No. 1," for a complete set of practical forms of the official standards for type K D. R. Hemp Line and Hemp Tow, the costs shall be \$10, f. o. b. Washington, D. C., for shipment within the continental United States; and \$12, delivered to destination, for shipment outside the continental United States.

(c) For one practical form of an individual grade of hemp line, \$2.50 f. o. b. Washington, D. C., for shipment within the continental United States; and \$3, delivered to destination, for shipment outside the continental United States.

(d) For one practical form of an individual grade of hemp tow, \$1.50 f. o. b. Washington, D. C., for shipment within the continental United States; and \$2, delivered to destination, for shipment outside the continental United States.

MISCELLANEOUS

64.10 Publication.—Publications under the act and these regulations may be made in Service and Regulatory Announcements of the Administration and by such other media as may be designated for the purpose.

64.11 Misrepresentation, deceptive or fraudulent practice.—Any misrepresentation or any deceptive or fraudulent practice made or committed by any applicant for inspection or grading service or any user of practical forms of the official standards, may be deemed sufficient cause for debarring the person guilty thereof from any further benefits of the act and these regulations, and the facts with respect to any such deceptive or fraudulent practice may be published.

Done at Washington, D. C., this 22d day of October 1942. Witness my hand and the seal of the Department of Agriculture.

PAUL H. APPLEBY,
Acting Secretary of Agriculture.

[SEAL]



HEMP STANDARDS REVISED

The color and fiber characteristics of the hemp from the 1942, 1943, and 1944 crops differed to a considerable extent from those represented by the 1942 standards. In 1945 members of the industry requested that the standards be revised so that they would be better measures of quality for the fiber then being produced. The need for revision also was recognized by the Commodity Credit Corporation, which had made use of the standards in connection with the Government hemp program. Even though this program had been materially curtailed, the hemp industry still had an active interest in standardization.

After considerable correspondence with members of the industry, a conference to consider a proposed revision of the standards was held in Chicago on May 17, 1945. Those in attendance at the conference were:

O. C. Olman, Atlas Hemp Mills, Juneau, Wis.
 Columbus Moise of the American Manufacturing Co., Cordage Institute of New York, New York, N. Y.
 J. LeRoy Farmer and D. E. U'Ren, J. LeRoy Farmer Hemp Mills, Beaver Dam, Wis.
 E. S. Boote, Ludlow Manufacturing & Sales Co., Boston, Mass.
 V. A. Batzner, Minnesota Hemp Co., Lake Crystal, Minn.
 Matt Rens and Willard Rens, Matt Rens Hemp Co., Brandon, Wis.
 Lt. Comdr. K. G. Pearson, Navy Department, Washington, D. C.
 S. H. McCrory, Fred E. Butcher, Prof. A. H. Wright, and M. G. Moksnes, representing the Commodity Credit Corporation and War Hemp Industries, Inc., Chicago, Ill.
 Dr. B. B. Robinson, Bureau of Plant Industry, Soils, and Agricultural Engineering, USDA, Washington, D. C.
 C. L. Finch and H. C. Slade, Cotton and Fiber Branch, Office of Marketing Services, USDA, Washington, D. C.

During the conference it was agreed that official standards for hemp line and tow for use on a permissive basis were still needed and that the standards adopted in 1942 should be revised.

Type material which had been submitted by various hemp mills, other type material furnished by the Commodity Credit Corporation and War Hemp Industries, Inc., and types prepared by the Ludlow Manufacturing & Sales Co. of Boston, Mass., were presented for consideration.

It was agreed that for the purpose of revised standards, the following grades would be sufficient:

For line fiber.—An "extra," "premium," or "prime" grade (better than No. 1)—this grade not to be represented by a physical standard.

Grades 1, 2, 3, and 4, to be represented by types or samples.

For tow.—Grades 1, 2, and 3 to be represented by types or physical standards (the tow inferior to Grade 3 to be designated as Grade 4 or "below grade").

Types illustrating Grades 1, 2, 3, and 4 for the line fiber and Grades 1, 2, and 3 for the tow were approved.

As already explained, in the 1942 standards two kinds of hemp fiber were recognized, type K representing Kentucky hemp and type W milled hemp produced in other States, mainly Wisconsin. In 1945 it appeared that milled hemp was no longer produced in Kentucky and therefore the revised standards were intended for all milled dewretted hemp produced in the United States, without

the separate designations for type W and type K. The order promulgating the revised standards, which are still in effect, was worded as follows:

PUBLIC NOTICE ESTABLISHING OFFICIAL STANDARDS OF THE UNITED STATES FOR GRADES OF HEMP LINE AND HEMP TOW

REVISED STANDARDS

Pursuant to authority conferred by the act entitled "An act making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1946, and for other purposes", approved May 5, 1945 (Public Law 52, 79th Cong.), the following official standards of the United States for grades of hemp line and hemp tow are prescribed and promulgated, the same to be in force and effect on and after August 1, 1945, and to supersede the official standards of the United States for grades of hemp line and hemp tow promulgated on September 25, 1942:

AUTHORITY: Pub. L. 52—Seventy-ninth Congress; E. O. 9280, 7 F. R. 10179; E. O. 9322, 8 F. R. 3807; E. O. 9334; 8 F. R. 5423; E. O. 9392, 8 F. R. 14783.

MILLED DEWRETTED AMERICAN HEMP LINE

Milled D. R. American Hemp Line, Prime

Shall be American hemp line that is better in grade than Milled D. R. American Hemp Line No. 1. Such hemp line shall be excellently retted, clean, very well hackled, very strong, of well-defined fiber, soft, very weighty, and at least as long as and more uniform in color than No. 1.

Milled D. R. American Hemp Line No. 1

This grade shall be represented by a sample of hemp line marked: "Original representation of official standard for Milled D. R. American Hemp Line No. 1, effective August 1, 1945."

and shall conform with the following specifications:

Cleanliness.—Very well scutched and hackled (both ends) and free of hurds.

Strength.—Very strong; a typical portion of the fibers shall be difficult to break.

Quality.—Very well retted, weighty, soft, pliable; well-defined fiber.

Ends.—Shall be well butted. Only fiber of substantially the same commercial length shall be included in the same hand.

Length.—Unless otherwise specified, minimum over-all length 72 inches, excluding extremely straggly ends.

Color.—Any uniform color with definite sheen, but with no more than a trace of green.

Milled D. R. American Hemp Line No. 2

This grade shall be represented by a sample of hemp line marked:

"Original representation of official standard for Milled D. R. American Hemp Line No. 2, effective August 1, 1945."

and shall conform with the following specifications:

Cleanliness.—Well scutched and hackled (both ends), essentially free of hurds but may contain slightly more hurds than No. 1; no pockets of hurds.

Strength.—A typical portion of the fiber when pulled shall break with a well defined snap; must not be weak.

Quality.—Well retted; may be coarser and harsher than No. 1 but must not be as coarse or as harsh as No. 3; must contain no flaggy hemp.

Ends.—Shall be well butted; only fiber of substantially the same commercial length shall be included in the same hand.

Length.—Unless otherwise specified, minimum over-all length 60 inches, excluding extremely straggly ends.

Color.—May be mixed, but shall contain no bright green or yellow green; darker shades of green may be included but not in greater proportion than in the physical standard.

Milled D. R. American Hemp Line No. 3

This grade shall be represented by a sample of hemp line marked:

"Original representation of official standard for Milled D. R. American Hemp Line No. 3, effective August 1, 1945."

and shall conform with the following specifications:

Cleanliness.—Fairly well scutched and hackled (both ends); must not contain pockets of hurds but may contain slightly more hurds than No. 2.

Strength.—Must not be weak but some hemp not as strong as No. 2 may be included; may be slightly variable in strength.

Quality.—Fairly well retted; may be slightly coarser than No. 2 and may contain some split and broken fibers; shall contain no flaggy hemp.

Ends.—Shall be well butted; only fiber of substantially the same commercial length shall be included in the same hand.

Length.—Unless otherwise specified, minimum over-all length 48 inches, excluding extremely straggly ends.

Color.—May be mixed but the proportion of bright green and yellow green shall not exceed the proportion contained in the physical standard.

Milled D. R. American Hemp Line No. 4

Shall include (a) any scutched and hackled hemp, of whatever characteristics, 36 inches or more but shorter than 48 inches in over-all length, excluding extremely straggly ends; or (b) any hemp longer than 48 inches which has more hurds than permissible in No. 3 or which is weak or flaggy or which is harsher than No. 3; need not be butted; different lengths may be included in the same hand; any color may be included.

Below Grade Milled D. R. American Hemp

Any hemp that is below 36 inches in over-all length (excluding extremely straggly ends) shall be classed as hemp tow of the appropriate grade described herein.

MILLED DEWRETTED AMERICAN HEMP TOW**Milled D. R. American Hemp Scutching Tow No. 1**

This grade shall be represented by a sample of hemp tow marked:

"Original official representation of standard for Milled D. R. American Hemp Scutching Tow No. 1, effective August 1, 1945."

and shall conform with the following specifications:

The fiber shall be essentially free of hurds, very strong, soft, pliable, preferably of uniform color, with definite sheen, and shall have good cling. Shall contain no flaggy fiber.

Milled D. R. American Hemp Scutching Tow No. 2

This grade shall be represented by a sample of hemp tow marked:

"Original official representation of standard for Milled D. R. American Hemp Scutching Tow No. 2, effective August 1, 1945."

and shall conform with the following specifications:

The fiber shall be essentially free of hurds but may contain slightly more hurds than No. 1; shall have good strength; must not be weak; may be coarser and harsher than No. 1 but not as coarse or as harsh as No. 3; shall have considerable cling; color may be mixed, but no bright green or yellow green shall be included. Shall contain no flaggy fiber.

Milled D. R. American Hemp Scutching Tow No. 3

This grade shall be represented by a sample of hemp tow marked:

"Original official representation of standard for Milled D. R. American Hemp Scutching Tow No. 3, effective August 1, 1945."

and shall conform with the following specifications:

The fiber may contain fine sticks and hurds; it must not be weak to the extent that it is perished but need not be as strong as No. 2; may be medium and coarse; must have some cling; may contain some flaggy fiber but not in excess of the proportion in the physical standard. The color may be mixed but the proportion of green fibers shall not exceed the proportion of green fibers in the physical standard.

Milled D. R. American Hemp Scutching Tow No. 4

Any Milled D. R. American Hemp Scutching Tow which fails to meet the specifications for No. 3 shall be classed as Milled D. R. American Hemp Scutching Tow No. 4, or Hemp Waste.

A limited number of types constituting representations of the official standards in physical form will be available for sale. In general these should be the basis for grade determinations but the foregoing specifications should be referred to in case of doubt.

The terms "Hemp Line" and "Hemp Tow" as used herein, shall refer to fiber from the plant "*Cannabis sativa*" grown in the continental United States.

Issued at Washington, D. C., this 9th day of July 1945.

CLINTON P. ANDERSON,
Secretary of Agriculture.

